Department of the Interior

Comprehensive Trust Management Plan

March 28, 2003

Preface

From 1998 until January 2002, the Department of the Interior's (DOI's) Indian fiduciary[1] trust management reform efforts focused on completing the Trust Management Improvement Project, as outlined in the *High Level Implementation Plan (HLIP)*. The *HLIP*, amended in February 2000, detailed numerous trust management reform tasks. Although many of the tasks in the HLIP have been completed, DOI has not achieved the desired improvement in trust management because the tasks were not linked to an overall strategy.

In January 2002, the Secretary of the Interior, through the Office of Indian Trust Transition (OITT), launched an effort to develop a comprehensive approach for improving Indian trust management. Working with the Office of the Special Trustee for American Indians and Bureau of Indian Affairs leadership, the OITT staff developed a set of goals, objectives, and tasks for reforming Indian trust management. This work was based upon statutes, regulations, guiding principles in the *Departmental Manual*, and reports prepared by Electronic Data Systems.

In May 2002, this effort was expanded and a DOI-wide strategic planning team was created that included representatives from national and regional offices of the Office of the Special Trustee for American Indians, Bureau of Indian Affairs, Minerals Management Service, and Bureau of Land Management. From May 2002 through December 2002, the DOI strategic planning team met regularly to review and update the goals and objectives. It also presented them to the Joint DOI/Tribal Leaders Task Force for approval. After several meetings, the task force's subcommittee on planning approved the goals and objectives.

Although the DOI strategic planning team is developing a comprehensive strategy for improving Indian trust management, many of the associated tasks that need to be accomplished have been held in abeyance awaiting completion of the "As-Is" business modeling project. That project is nearing completion with a draft report dated February 14, 2003, having been submitted to Interior for consideration and review.

As a result of the planning effort initiated by the Secretary in January 2002, this final *Comprehensive Trust Management Plan Version 1.0* was developed. It presents a strategic plan to guide the design and implementation of integrated trust reform efforts.[2] As this plan develops new versions will be published.

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[1] The term fiduciary trust refers to the trust created by virtue of the United States holding title or control over assets belonging to an American Indian individual or tribe. This is to be distinguished from the general trust responsibility of the United States for Indians, in particular, dealing with appropriated program funds.

[2] This plan is intended to be a DOI working document. It is not intended to, and does not, create any legal right or benefit, substantive or procedural, enforceable by a party against the United States, its agencies, or instrumentalities, its officers or employees, or any other person.

Executive Summary

The Department of the Interior (DOI) is committed to fulfilling its trust responsibilities to American Indians and Alaska Natives effectively and efficiently. It also is committed to providing excellent service to the beneficiaries of that trust. To fulfill its trust responsibilities effectively and efficiently, Interior must have an overall strategic plan to guide the design and implementation of the trust reform efforts. This strategic plan[3] defines and describes the vision, goals, and objectives of trust reform and operating the trust program.

Achieving the goals that are at the heart of the strategic plan will enhance (1) beneficiary services, (2) ownership information, (3) land and natural resources assets, (4) trust fund assets, (5) Indian self-governance and self-determination, and (6) administrative services. The objectives set forth in the strategic plan will define the broad ways in which these goals will be achieved. The strategic plan also considers the trends that influence trust management, the role of relevant stakeholders, and the interaction of Interior agencies. Through examination of the "big picture" of trust management, Interior creates a coordinated and integrated system in which all pieces function as a coherent whole.

Strategic plans are dynamic. Thus, DOI will regularly evaluate and update this plan to ensure its responsiveness to the ongoing needs of Interior's trust operations and to adapt to changing environments.

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[3] This plan has been previously referred to as the *Indian Trust Business Plan*. See, for example, *Eleventh Report*, November 1, 2002, at 37-38. More recently it is referred to as the *Comprehensive Trust Management Plan*.

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Appendix A Background

Appendix B Business Trends

Appendix C Requirements

Appendix D Trust Management Roles and Responsibilities

Appendix E Abbreviations

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Chapter 1
Introduction

1.1 THE PLAN

The Department of the Interior (DOI) initiated a comprehensive assessment and planning effort to identify and incorporate project components and actions required to fulfill its trust responsibilities to American Indians and Alaska Natives with respect to Indian trust assets that DOI holds or controls as trustee delegate of the United States.[4] DOI is committed to implementing the actions described in this *Comprehensive Trust Management Plan*.

This plan details the DOI approach for improving performance and accountability in Indian trust management. While progress has been made in many areas, the current state of trust management reform is the product of a series of related projects, initiated by a variety of influences and not yet incorporated into a fully integrated effort.

Based on preliminary information from a major process documentation effort already underway, DOI realizes that it will require a comprehensive and fully integrated modernization effort to reform Indian trust management. As a result, DOI initiated an overarching assessment and project planning effort focused on (1) identifying the project components required to improve trust management and (2) expanding the current trust modernization project plan to incorporate these new project components and supporting activities. The result is an integrated description of comprehensive trust management and the plan for achieving it.

In undertaking this assessment, DOI recognized the need to step back and analyze the current position, direction, and business profile of trust management activities and redefine them as needed to provide a solid foundation for real modernization. As a result, DOI designed a methodology to support analysis and planning followed by execution and measurement to achieve comprehensive trust management and provide effective and efficient services to the beneficiaries. (Figure 1-1).

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[4] Defined in the *Department Manual*, 303-Principles for Managing Indian Trust Assets, DM2.5C.

Figure 1-1. Comprehensive Assessment and Planning Methodology
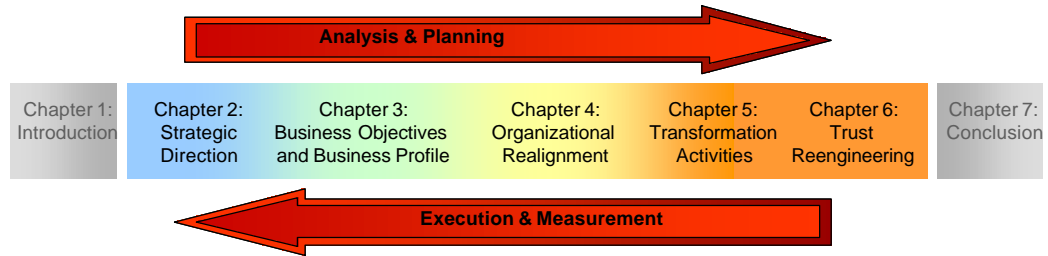
The following subsections describe the chapters of this plan.

Chapter 1: Introduction

This chapter contains information on the history of the Indian trust. It also provides information on the future of trust management and challenges to modernization.
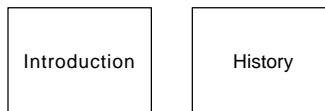
Chapter 2: Strategic Direction

Chapter 2 presents a specific, concise, and straightforward strategic direction and goals for Indian trust management. It emphasizes achievement of results and sets the strategy for achieving improvements in comprehensive trust management.
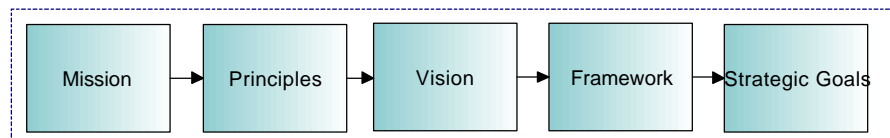
Chapter 3: Business Objectives and Business Profile

Chapter 3, building on the strategic direction and goals, examines trust management as a business. It describes business objectives and the future service delivery model, which will result in real change when accomplished. In combination, Chapters 2 and 3 provide guidance for the organizational structure, implementation plan, and measurements.

**Chapter 3
Business
Objectives and
Business Profile**

Business Objectives — Business Environment — Business Trends (Appendix) — Fiduciary Obligations — Future Service Delivery Model — Business Lines including Products & Services — Fiduciary Trust Management Standards
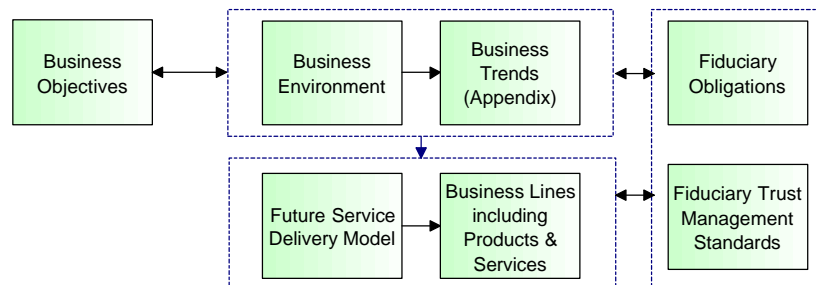
Chapter 4: Organizational Realignment

This chapter presents the organizational redesign needed to support the new service delivery model.

**Chapter 4
Organizational
Realignment**

Organizational Model — Roles & Responsibilites
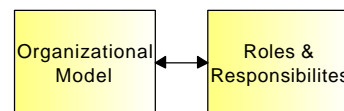
Chapter 5: Transformation Activities

Chapter 5 describes the major implementation activities required for an integrated and comprehensive transformation effort. These activities will govern the expansion and scheduling of current and future transformation initiatives. The breadth and scope of the activities and initiatives requires detailed, continuous implementation planning as the transition unfolds.

**Chapter 5
Transformation
Activities**

Transformation Activities — Project Schedule — Risk Assessment

Chapter 6: Trust Reengineering

Chapter 6 reflects one of the transformation activities described in Chapter 5— Trust Reengineering. The "As-Is" modeling efforts are summarized and the major components of the "To-Be" modeling effort are further described.

**Chapter 6
Trust
Reengineering**

Trust
Reengineering

Figure 1-2 illustrates the specific planning process and structure of this plan.

Figure 1-2. Comprehensive Trust Management Planning Process

**Chapter 1
Introduction**

Introduction   History

**Chapter 2
Strategic
Direction**

Mission → Principles → Vision → Framework → Strategic Goals

**Chapter 3
Business
Objectives and
Business Profile**

Business Objectives ↔ Business Environment → Business Trends (Appendix) ↔ Fiduciary Obligations

Future Service Delivery Model → Business Lines including Products & Services ↔ Fiduciary Trust Management Standards

**Chapter 4
Organizational
Realignment**

Organizational Model ↔ Roles & Responsibilites

**Chapter 5
Transformation
Activities**

Transformation Activities → Project Schedule → Risk Assessment

**Chapter 6
Trust
Reengineering**

Trust Reengineering

1.2 HISTORY

The history of the trust relationship is the foundation for the political, social, legal, and cultural factors that continue to influence current challenges.

Under the General Allotment Act of 1887, the federal government began to parcel out or allot tribal lands to individual members of Indian tribes. This policy, which did not support the traditional role of the tribes, continued into the twentieth century until it was repealed by the Indian Reorganization Act of 1934. The act restored remaining surplus lands to tribal ownership, thus shifting the policy focus away from individual Indians and back to their tribes. The trust period for allotments in existence was "extended and continued until otherwise directed by Congress."

The Indian Self-Determination and Education Assistance Act of 1975, Public Law 93-638, further refined this policy, directing the government to ensure "maximum Indian participation in the direction, planning, conduct, and administration of educational as well as other federal programs and services to Indian communities so as to render such programs and services more responsive to the needs and desires of those communities." The Indian Tribe Self-Governance Amendments of 1994 gave tribes even greater autonomy in the management of federal funds spent on their behalf and their own trust assets.

Because of these shifts of national policy, the operation of the Indian trust on behalf of individual Indian beneficiaries became increasingly complex. The number of heirs to the original allotments ballooned and the size of the individual shares correspondingly shrank, resulting in hundreds of individuals owning those original allotments. To help solve this management problem and others, Congress enacted, among other laws, the American Indian Trust Fund Management Reform Act of 1994 (Reform Act) and the Indian Land Consolidation Act Amendments of 2000.

Congress specifically directed the trustee-delegate, the Secretary of the Interior, to establish, within DOI, the Office of the Special Trustee for American Indians to "oversee and coordinate reforms within the Department." In 1997, the Special Trustee submitted the first comprehensive strategic plan to guide reforms. Although not fully accepted for implementation by then-Secretary Bruce Babbitt, it formed the basis for two subsequent documents: the *High Level Implementation Plan* and *High Level Implementation Plan 2000*.

Having received conflicting information on the state of trust reform, DOI commissioned an independent report by the management-consulting firm Electronic Data Systems (EDS), which concluded that previous reform results were not satisfactory. This report provided opinions why results were not effective and recommended improvements.[5] Litigation in U.S. District Court has

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[5] Electronic Data Systems, *DOI Trust Reform, Final Report and Roadmap*, January 24, 2002.

also impacted the Department's administration of Indian trust issues. After review of the EDS report, DOI initiated a planning effort for a more comprehensive approach to trust management beginning in January 2002. In addition, Secretary Norton created two offices, the Office of Indian Trust Transition (OITT) and Office of Historical Trust Accounting (OHTA), to perform two specific tasks: reform and historical accounting. Each is the focal point for attention and resources within its assigned area.

Among the actions underway are (1) the reorganization of Interior trust offices to improve delivery of services, effectiveness, and accountability of trust operations, and (2) the reengineering of Interior's business processes supporting the government's fiduciary Indian trust. The documentation of current processes, or "As-Is" model, is the first step in reengineering them. The next effort will be creating a "To-Be" model, which, when in place, will enable DOI to standardize, integrate and improve beneficiary-focused processes across a majority of components involved with the Indian trust.

DOI has engaged in a wide range of improvement initiatives over many years with varying results. DOI continues to face many challenges to trust reform (Appendix A). Recognizing the need for a more comprehensive approach to trust improvement, DOI moved from the previous *High Level Implementation Plan* to a more integrated and logical progression toward unified trust management. This transition began in 2002 with a strategic planning effort that incorporated work already being done to improve trust management. The resulting strategic plan is documented in the following chapters.

Chapter 2
Strategic Direction

2.1 INTRODUCTION

Comprehensive trust management must be based on a strategic direction that accurately describes the desired future state. As depicted in Figure 2-1, the strategic direction is the first step in the assessment of trust management. It has been formulated through senior-level focus groups to ensure a cohesive, balanced approach. This chapter articulates the direction in a simple framework to ease communication. Subsequent chapters in this plan translate this direction into action.

Figure 2-1. Comprehensive Assessment and Planning Methodology
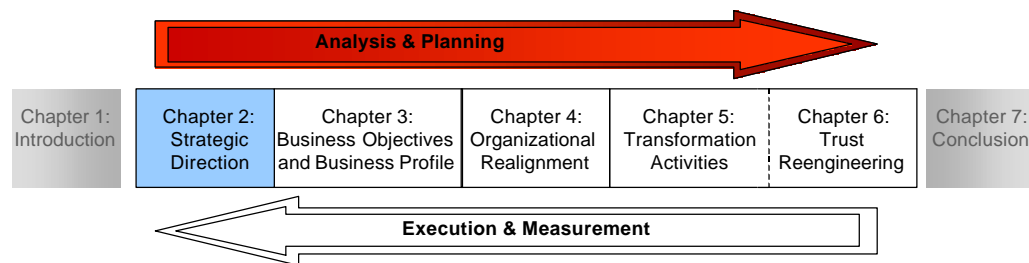
Figure 2-2 shows the roadmap to and core components of this chapter.

Figure 2-2. Roadmap to and Core Components of Chapter 2
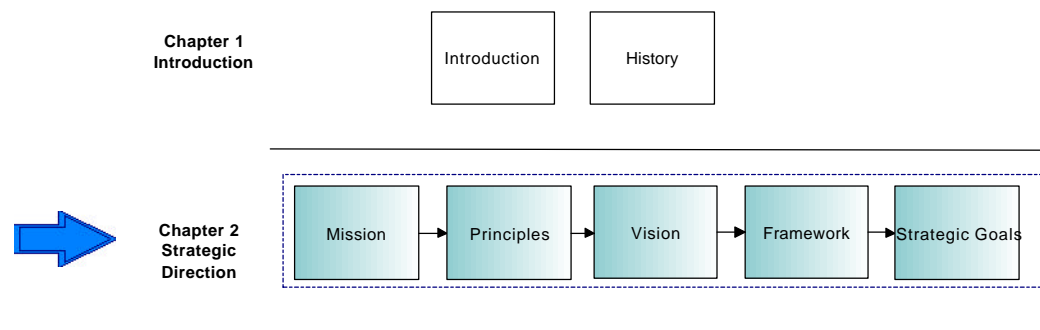
2.2 MISSION

The mission statement defines the core purpose of an organization—why it exists. It captures the contribution and value of the organization. It is the foundation upon which the organization develops its strategic direction.

Figure 2-3 shows that the comprehensive trust management mission flows from the DOI proposed new mission statement.

Figure 2-3. DOI and Comprehensive Trust Management Mission Statements

Department of the Interior
To protect and manage the Nation's natural resources and cultural heritage; to provide scientific and other information about those resources; and to honor its special responsibilities to American Indians, Alaska Natives and affiliated Island Communities.

Indian Trust Management
To perform our fiduciary trust responsibilities to American Indian tribes, individual Indians, and Alaska Natives by incorporating a beneficiary focus and beneficiary participation while providing effective, competent stewardship and management of trust assets.

2.3 PRINCIPLES

Principles reflect underlying values. They further define an organization's operating environment and shape its culture. Just as the mission statement leads an organization toward the intended state, the principles an organization espouses influence decisions made by or on its behalf, and establish norms of behavior for employees at all levels.

The Secretary of the Interior established the following principles as guidance for discharging DOI's trust responsibility:[6]

    A. Protect and preserve Indian trust assets from loss, damage, unlawful alienation, waste, and depletion;

    B. Assure that any management of Indian trust assets that the Secretary has an obligation to undertake promotes the interest of the beneficiary and supports, to the extent it is consistent with the Secretary's trust responsibility, the beneficiary's intended use of the assets;

    C. Enforce the terms of all leases or other agreements that provide for the use of trust assets, and take appropriate steps to remedy trespass on trust or restricted lands;

    D. Promote tribal control and self-determination over tribal lands and resources;

    E. Select and oversee persons who manage Indian trust assets;

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[6] Principles are documented in the *Departmental Manual*, 303 DM2.

F. Confirm that tribes that manage Indian trust assets pursuant to contracts and compacts authorized by the Indian Self-Determination and Education Assistance Act, 25 U.S.C 450, et seq., protect and prudently manage Indian trust assets;

G. Provide oversight and review of the performance of the Secretary's trust responsibility, including Indian trust asset and investment management programs, operational systems, and information systems;

H. Account for and timely identify, collect, deposit, invest, and distribute income due or held on behalf of beneficiaries;

I. Maintain a verifiable system of records that is capable, at a minimum, of identifying: (1) the location, the beneficiary, any legal encumbrances (i.e., leases, permits, etc.), the user of the resource, the rents and monies paid, if any, and the value of trust or restricted lands and resources; (2) dates of collections, deposits, transfers, disbursements, third-party obligations (i.e., court ordered child support, judgments, etc), amount of earnings, investment instruments, and closing of all trust fund accounts; (3) documents pertaining to actions taken to prevent or compensate for any diminishment of the Indian trust assets; and (4) documents that evidence the Department's actions regarding the management and disposition of Indian trust assets;

J. Establish and maintain a system of records that permits beneficiaries to obtain information regarding their Indian trust assets in a timely manner and protect the privacy of such information in accordance with applicable statutes;

K. Invest tribal and individual Indian trust funds to make the trust account reasonably productive for the beneficial owner consistent with market conditions existing at the time the investment is made;

L. Communicate with beneficiaries regarding the management and administration of Indian trust assets; and

M. Protect treaty-based fishing, hunting, gathering, and similar rights of access and resource use on traditional lands.

2.4 VISION

The mission and principles provide trust management leadership with a foundation for executing its responsibilities. The next step is to establish the vision for

trust management. The vision defines the future state for comprehensive trust management when all the modernization activities are complete.

Comprehensive Trust Management Vision Statement

> The Department of the Interior's performance of its fiduciary trust responsibilities will be reliable, successful, and beneficiary focused.

2.5 FRAMEWORK

To fulfill the comprehensive trust management mission and vision, DOI will focus its strategic planning on four areas, which constitute a framework for its efforts:

- ◆ *Beneficiaries*

- ◆ *Business processes*

- ◆ *Organization*

- ◆ *Technology and data.*

Figure 2-4 illustrates these four framework areas, which will be used to integrate the strategic direction with the other major elements of the plan.

Figure 2-4. Strategic Framework
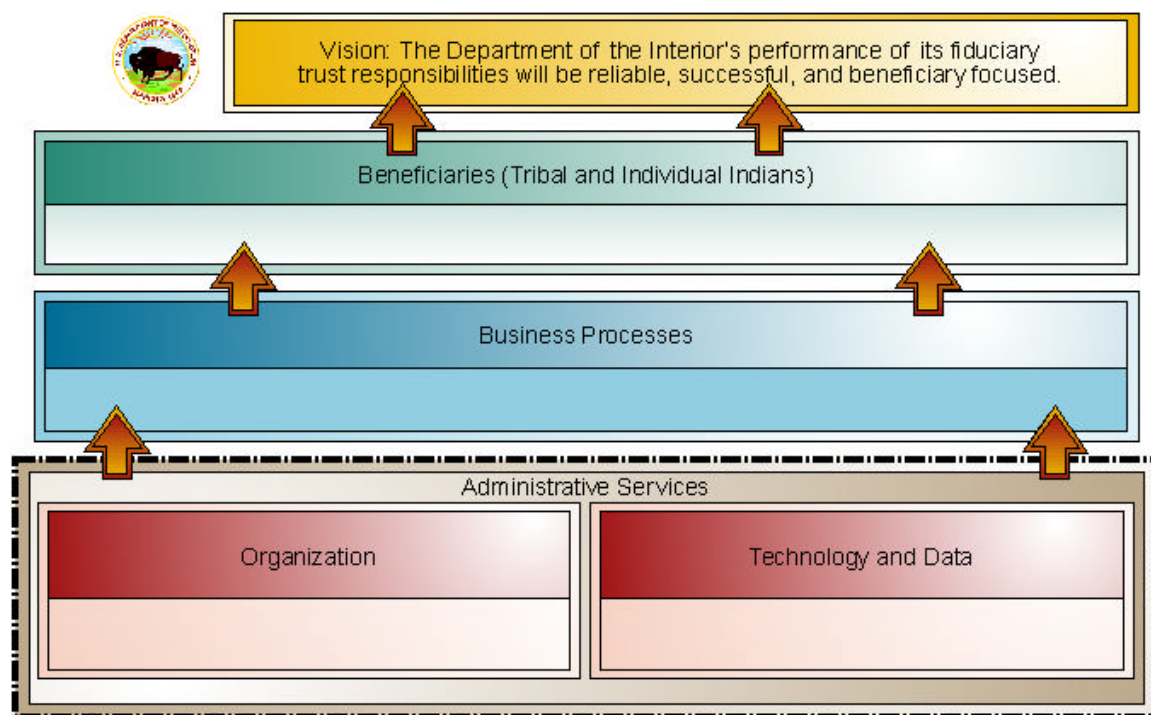
2.5.1 Beneficiaries

DOI is committed to taking a more beneficiary-focused approach to its fiduciary responsibilities. DOI must develop a better communication process with beneficiaries regarding the management of their trust assets.

2.5.2 Business Processes

The business processes used to accomplish work greatly influence the manner in which it is performed. Improving work performance requires improving processes. While data availability, staffing limitations, the legal environment, and other factors prescribe and constrain the many interrelated trust management functions and processes, considerable improvement can be achieved. DOI will continue current efforts to improve DOI trust management business processes.

2.5.3 Organization

DOI will establish an organization that empowers and enables people to manage trust activities effectively. The ultimate effectiveness of an organization depends upon the professionalism and credibility of the employees and the manner in which they are organized, motivated, and held accountable. DOI must analyze the workforce to understand how requirements evolve as new technology emerges and processes change. Workloads will change in quantity and nature, and the workforce planning process must anticipate these changes.

2.5.4 Technology and Data

DOI plans to apply technology to the delivery of trust management services. The lack of adequate technological tools severely limits effective performance of DOI's mission. Comprehensive trust management must learn from the past and, in concert with business process reengineering efforts, apply technology to improve processes and beneficiary-focused service delivery systems. This application of technology will require the investment of time and fiscal resources to build a flexible architecture that can accommodate the inevitable evolution of hardware and software.

2.6 STRATEGIC GOALS

After considerable input from internal and external sources, DOI has established six strategic goals, one or more of which supports each framework area:

1. Beneficiary services that are trusted, accurate, and responsive

2. Tribal self-governance and self-determination that increase participation in managing assets[7]

3. Ownership information that is accurate, timely, and reliable

4. Land and natural resources management that maximizes return while meeting beneficiary desires.[8]

5. Trust fund assets management that meets fiduciary standards

6. Administrative services that

    A. *enable and empower the organization and workforce to be an effective fiduciary trustee, and*

    B. *provide modern, appropriate systems and tools to manage the fiduciary trust.*

Figure 2-5 displays the relationship between the framework areas and strategic goals.

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[7] The level of participation may be constrained by Tribal preferences.

[8] The return on investment may be constrained by beneficiary preferences, or other factors (e.g. fractionation, Indian policy, etc.).

Figure 2-5. Framework Areas and Strategic Goals
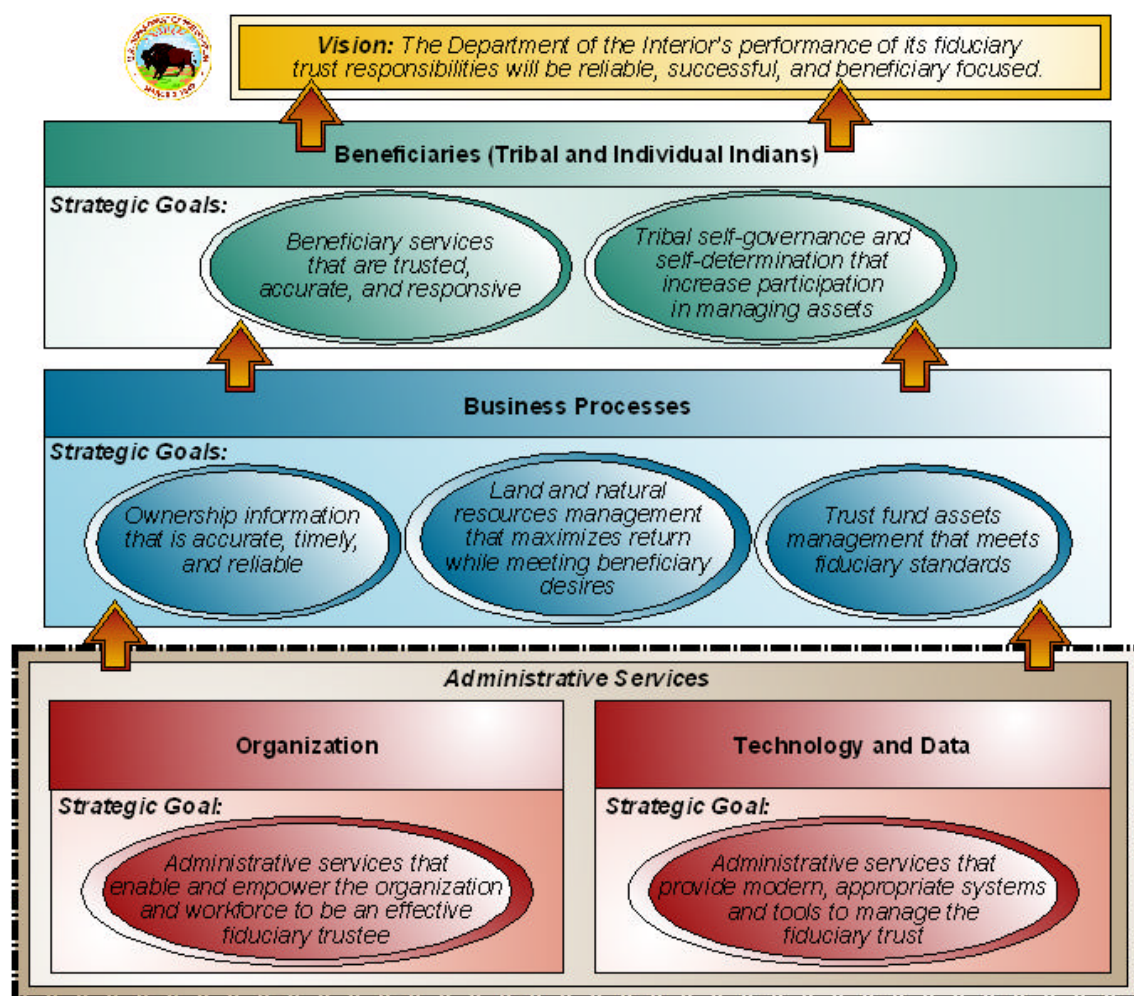
This figure graphically shows the strategic direction for comprehensive trust management. As the processes become more efficient and effective, they will provide the beneficiaries with improved trust services.

2.7 TRANSITION TO CHAPTER 3

With the strategic direction mapped out and communicated through the strategic goals, more detailed information is required to guide the modernization effort. Chapter 3 describes business objectives that build on the strategic goals and provide the detail needed to define the organization, measure performance, and plan the implementation. The business objectives are accompanied by a business profile showing the service delivery model and business lines.

Chapter 3
Business Objectives and Business Profile

3.1 INTRODUCTION

Chapter 2 describes the strategic direction but does not provide the specifics necessary to complete a detailed assessment or expand project planning. As depicted in Figure 3-1, this chapter identifies business objectives to achieve the strategic goals. It then summarizes the business profile, identifies the business lines, and lays the foundation for the new mode of operations as defined by the business environment model and the service delivery model. Figure 3-2 shows how this chapter is organized.

Figure 3-1. Comprehensive Assessment and Planning Methodology
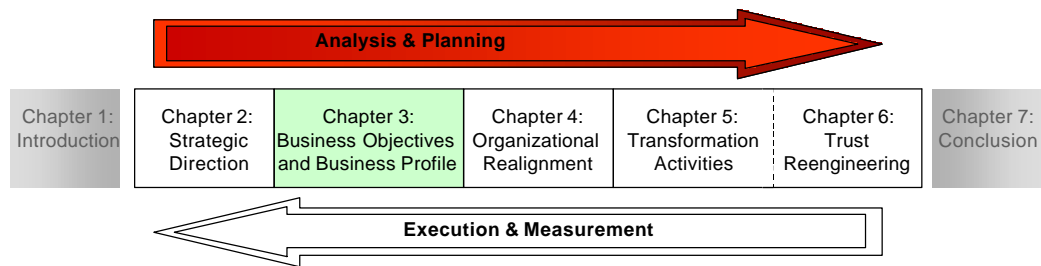
Figure 3-2. Roadmap to and Core Components of Chapter 3
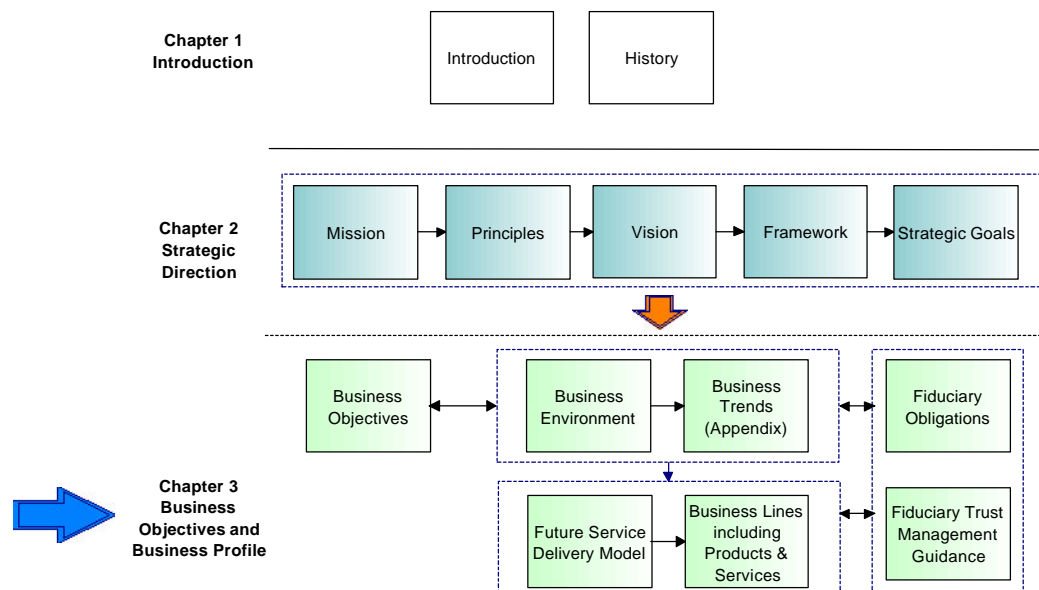
3.2 BUSINESS OBJECTIVES

The trust management business objectives, when successfully reached, achieve comprehensive trust management's strategic goals as defined in Chapter 2 and fulfill fiduciary obligations. This alignment of the strategic goals and business objectives articulates DOI's overall fiduciary trust business plan for managing and reforming its trust operations. Figure 3-3 displays the alignment of the strategic goals and business objectives within the four framework areas.

Figure 3-3. Business Objectives Aligned to Strategic Direction

Framework Area	Strategic Goals	Business Objectives
Beneficiaries	Beneficiary services that are trusted, accurate, and responsive	1.1. <u>Beneficiary statements</u>. Routinely provide timely, accurate, understandable, and comprehensive statements to beneficiaries.
		1.2 <u>Beneficiary services</u> Provide beneficiaries with convenient access to trust account services and information.
		1.3. <u>Beneficiary Communications</u>. Develop and maintain effective communications with beneficiaries to facilitate their involvement in improving trust management, acquisition and disposal, and conveyances of trust assets, consistent with DOI's fiduciary duties.
		1.4. <u>Point of contact for all trust management asset services</u> Develop an accessible point of contact who can provide any individual Indian or tribal representative with any requested trust asset information or service regardless of ownership region or area.
		1.5 <u>Technical assistance</u>. Provide Indian tribes with technical assistance to develop, implement, and manage Indian trust fund investment plans, in accordance with the Reform Act.
		1.6. <u>Cooperative audit agreements</u>. Increase the number of tribes that participate in cooperative audit programs for mineral leases.
	Tribal self-governance and self-determination that increase participation in managing assets	2.1. <u>Expand self-governance compacts and self-determination contracts</u> Foster expansion of self-governance compacts and self-determination contracts in a manner consistent with DOI's fiduciary responsibilities.
Business Processes	Ownership information that is accurate, timely, and reliable	3.1. <u>Surveys</u> Establish accurate and current surveys to ensure correct boundaries for trust individual and tribal lands and any resulting revenue distribution.
		3.2 <u>Probate and estate administration</u>. Consistently prioritize and quickly resolve probate and estate administration cases effectively to meet asset management and beneficiary service requirements.
		3.3 <u>Title, realty, and administrative information</u>. Develop, maintain, and make readily available accurate and current asset ownership and administrative information managed to professional fiduciary standards.
	Land and natural resources management that maximizes return while meeting beneficiary desires	4.1. <u>Land and natural resource asset plans and stewardship strategies</u>Develop land and natural resource asset plans and stewardship strategies.
		4.2. <u>Preservation and protection of land and natural resource assets</u> Preserve and protect the long-term viability of land and natural resource assets consistent with fiduciary duties and with the beneficiaries' intended use of the assets.
		4.3. <u>Land and natural resource asset business management</u> Manage land and natural resource assets effectively and proactively to obtain fair market value for beneficiaries and to incorporate beneficiary requirements.
		4.4 <u>Appraisals</u>. Obtain appraisal information, as needed, on trust and restricted lands for tribal and individual Indian owners, using methods and techniques that meet professional standards.
		4.5. <u>Fractionation strategy</u>. Develop and implement a resolution that reduces or eliminates the exponential increase in the number of ownership interests in land.
	Trust fund assets management that meets fiduciary standards	5.1. <u>Fiduciary fund assets management</u> Manage and invest fund assets to provide prudent rates of return in accordance with appropriate statutes, while considering the best interests of individual beneficiaries and tribes.
		5.2 <u>Collection, disbursement, and accounting of funds</u>. Collect, disburse, and account for funds associated with Indian trust assets quickly and accurately.
Organization	Administrative services that enable and empower the organization and workforce to be an effective fiduciary trustee	6A.1. <u>Accounting</u>. Develop and maintain accounting activities that are user friendly and integrated, provide necessary functionality, and contain appropriate interfaces to support effective and efficient trust management.
		6A.2. <u>Policies and procedures</u>. Coordinate policy and procedure development and management relating to all Indian trust asset reform and management activities to ensure fiduciary and legal requirements are fulfilled.
		6A.3. <u>Business practices</u> Develop and maintain business processes and practices that are complete, consistent, reliable, and based on appropriate fiduciary standards.
		6A.4. <u>Risk management</u> Develop, implement, and maintain a comprehensive risk management program, including extensive internal and external management controls, to monitor and evaluate the effectiveness of DOI's trust operations.
		6A.5. <u>Records management</u> Create, manage, and preserve trust records with adequate and proper documentation so that the information necessary to fulfill DOI's fiduciary responsibilities is protected, available, and accessible to beneficiaries.
		6A.6. <u>DOI trust organization</u>. Create a DOI trust organization with the structure, policies, and processes that fulfill fiduciary and legal requirements, all with a beneficiary focus.
		6A.7 <u>Human resources</u> Manage the DOI trust workforce so positions are filled quickly with well-trained employees who are held accountable for effective performance.
		6A.8. <u>Performance measures</u> Develop, maintain, and use clear performance measures to manage Indian trust asset operations and to assess performance.
Technology and Data	Administrative services that provide modern, appropriate systems and tools to manage the fiduciary trust	6B.1.<u>Information technology</u> Develop, operate, and maintain a trust enterprise architecture with the appropriate computer systems to facilitate successful trust operations.

The business objectives are defined in the following subsections. They are categorized according to the corresponding strategic goals within each of the four framework areas: beneficiaries, business processes, organization, and technology and data as introduced in Chapter 2. A few of the objectives are furthered defined by subobjectives.

3.2.1 Framework Area: Beneficiaries

STRATEGIC GOAL 1: BENEFICIARY SERVICES THAT ARE TRUSTED, ACCURATE, AND RESPONSIVE

BUSINESS OBJECTIVE 1.1: BENEFICIARY STATEMENTS

Routinely provide timely, accurate, understandable, and comprehensive statements to beneficiaries.

BUSINESS OBJECTIVE 1.2: BENEFICIARY SERVICES

Provide beneficiaries with convenient access to trust account services and information.

BUSINESS OBJECTIVE 1.3: BENEFICIARY COMMUNICATIONS

Develop and maintain effective communications with beneficiaries to facilitate their involvement in improving trust management, acquisition and disposal, and conveyances of trust assets, consistent with DOI's fiduciary duties.

BUSINESS OBJECTIVE 1.4: POINT OF CONTACT FOR ALL TRUST MANAGEMENT ASSET SERVICES

Develop an accessible point of contact who can provide any individual Indian or tribal representative with any requested trust management asset information or service regardless of ownership region or area.

BUSINESS OBJECTIVE 1.5: TECHNICAL ASSISTANCE

Provide Indian tribes with technical assistance to develop, implement, and manage Indian trust fund investment plans, in accordance with the Reform Act.

BUSINESS OBJECTIVE 1.6: COOPERATIVE AUDIT AGREEMENTS

Increase the number of tribes that participate in cooperative audit agreement programs for mineral leases.[9]

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[9] The level of participation may be constrained by Tribal preferences.

STRATEGIC GOAL 2: TRIBAL SELF-GOVERNANCE AND SELF-DETERMINATION
THAT INCREASE PARTICIPATION IN MANAGING ASSETS

BUSINESS OBJECTIVE 2.1: EXPAND SELF-GOVERNANCE COMPACTS AND
SELF-DETERMINATION CONTRACTS

Foster expansion of self-governance compacts and self-determination contracts in
a manner consistent with DOI's fiduciary responsibilities.

3.2.2 Framework Area: Business Processes

STRATEGIC GOAL 3: OWNERSHIP INFORMATION THAT IS ACCURATE, TIMELY,
AND RELIABLE

BUSINESS OBJECTIVE 3.1: SURVEYS

Establish accurate and current surveys to ensure correct boundaries for trust indi-
vidual and tribal lands and any resulting revenue distribution.

BUSINESS OBJECTIVE 3.2: PROBATE AND ESTATE ADMINISTRATION

Consistently prioritize and quickly resolve probate and estate administration cases
effectively to meet asset management and beneficiary service requirements.

BUSINESS OBJECTIVE 3.3: TITLE, REALTY, AND ADMINISTRATIVE
INFORMATION

Develop, maintain, and make readily available accurate and current asset owner-
ship and administrative information that is managed to professional fiduciary
standards.

STRATEGIC GOAL 4: LAND AND NATURAL RESOURCES MANAGEMENT THAT
MAXIMIZES RETURN WHILE MEETING BENEFICIARY DESIRES

BUSINESS OBJECTIVE 4.1: LAND AND NATURAL RESOURCE ASSET PLANS
AND STEWARDSHIP STRATEGIES

Develop land and natural resource asset plans and stewardship strategies.

BUSINESS OBJECTIVE 4.2: PRESERVATION AND PROTECTION OF LAND AND
NATURAL RESOURCE ASSETS

Preserve and protect the long-term viability of land and natural resource assets
consistent with fiduciary duties and with the beneficiaries' intended use of the as-
sets.

BUSINESS OBJECTIVE 4.3: LAND AND NATURAL RESOURCE ASSET BUSINESS MANAGEMENT

Manage land and natural resource assets effectively and proactively to obtain fair market value for beneficiaries and to incorporate beneficiary requirements.

BUSINESS OBJECTIVE 4.4: APPRAISALS

Obtain appraisal information, as needed, on trust and restricted lands for tribal and individual Indian owners, using methods and techniques that meet professional standards.

BUSINESS OBJECTIVE 4.5: FRACTIONATION STRATEGY

Develop and implement a resolution that reduces or eliminates the exponential increase in the number of ownership interests in land.

STRATEGIC GOAL 5: TRUST FUND ASSETS MANAGEMENT THAT MEETS FIDUCIARY STANDARDS

BUSINESS OBJECTIVE 5.1: FIDUCIARY FUND ASSET MANAGEMENT

Manage and invest fund assets to provide prudent rates of return in accordance with appropriate statutes, while considering the best interests of individual beneficiaries and tribes.

BUSINESS OBJECTIVE 5.2: COLLECTION, DISBURSEMENT, AND ACCOUNTING OF FUNDS

Collect, disburse, and account for funds associated with Indian trust assets quickly and accurately.

3.2.3 Framework Area: Organization

STRATEGIC GOAL 6A: ADMINISTRATIVE SERVICES THAT ENABLE AND EMPOWER THE ORGANIZATION AND WORKFORCE TO BE AN EFFECTIVE FIDUCIARY TRUSTEE

BUSINESS OBJECTIVE 6A.1: ACCOUNTING

Develop and maintain accounting activities that are user friendly and integrated, provide necessary functionality, and contain appropriate interfaces to support effective and efficient trust management.

BUSINESS OBJECTIVE 6A.2: POLICIES AND PROCEDURES

> Coordinate policy and procedure development and management relating to all Indian trust asset reform and management activities to ensure fiduciary and legal requirements are fulfilled.

BUSINESS OBJECTIVE 6A.3: BUSINESS PRACTICES

> Develop and maintain business processes and practices that are complete, consistent, reliable, and based on appropriate fiduciary standards.

BUSINESS OBJECTIVE 6A.4: RISK MANAGEMENT

> Develop, implement, and maintain a comprehensive risk management program, including extensive internal and external management controls, to monitor and evaluate the effectiveness of DOI's trust operations.

BUSINESS OBJECTIVE 6A.5: RECORDS MANAGEMENT

> Create, manage, and preserve trust records with adequate and proper documentation so that the information necessary to fulfill DOI's fiduciary responsibilities is protected, available, and accessible to beneficiaries.

BUSINESS OBJECTIVE 6A.6: DOI TRUST ORGANIZATION

> Create a DOI trust organization with the structure, policies, and processes that fulfill fiduciary and legal requirements, all with a beneficiary focus.

> Sub-Objective 6A.6.1: Fiduciary Duty Focus and Strategy

> > Develop a fiduciary duty focus and strategy for trust management.

> Sub-Objective 6A.6.2: Consolidation and Accountability

> > Consolidate DOI Indian trust asset responsibilities into an organization accountable for executing, maintaining, and managing fiduciary trust activities.

> Sub-Objective 6A.6.3: Trust Processes

> > Benchmark and improve DOI trust processes and apply appropriate standards.

> Sub-Objective 6A.6.4: Activity-Based Costing

> > Develop an activity-based costing model for implementing trust enterprise business plan objectives.

BUSINESS OBJECTIVE 6A.7: HUMAN RESOURCES

Manage the DOI trust workforce so positions are filled quickly with well-trained employees who are held accountable for effective performance.

Sub-Objective 6A.7.1: Workforce Planning

Prepare organizational workforce plans that are focused on staffing, recruitment, retention, and retirement forecasting, and develop associated infrastructure.

Sub-Objective 6A.7.2: Workforce Training

Develop a comprehensive and coordinated DOI trust asset management training program.

BUSINESS OBJECTIVE 6A.8: PERFORMANCE MEASURES

Develop, maintain, and use clear performance measures to manage Indian trust asset operations and to assess performance.

3.2.4 Framework Area: Technology and Data

STRATEGIC GOAL 6B: ADMINISTRATIVE SERVICES THAT PROVIDE MODERN, APPROPRIATE SYSTEMS AND TOOLS TO MANAGE THE FIDUCIARY TRUST

BUSINESS OBJECTIVE 6B.1: INFORMATION TECHNOLOGY

Develop, operate, and maintain a trust enterprise architecture with the appropriate computer systems to facilitate successful trust operations.

Sub-Objective 6B.1.1: Trust Enterprise Architecture

Develop a comprehensive trust enterprise architecture.

Sub-Objective 6B.1.2: A-130 Compliance

Fully comply with applicable requirements in the Office of Management and Budget (OMB) Circular No. A-130.

Sub-Objective 6B.1.3: Data and Systems Security

Develop and implement data and systems security procedures.

The realization of these business objectives leads to the achievement of the strategic goals. Figure 3-4 illustrates the alignment of the business objectives within the framework areas.

Figure 3-4. Alignment of Business Objectives with Framework Areas
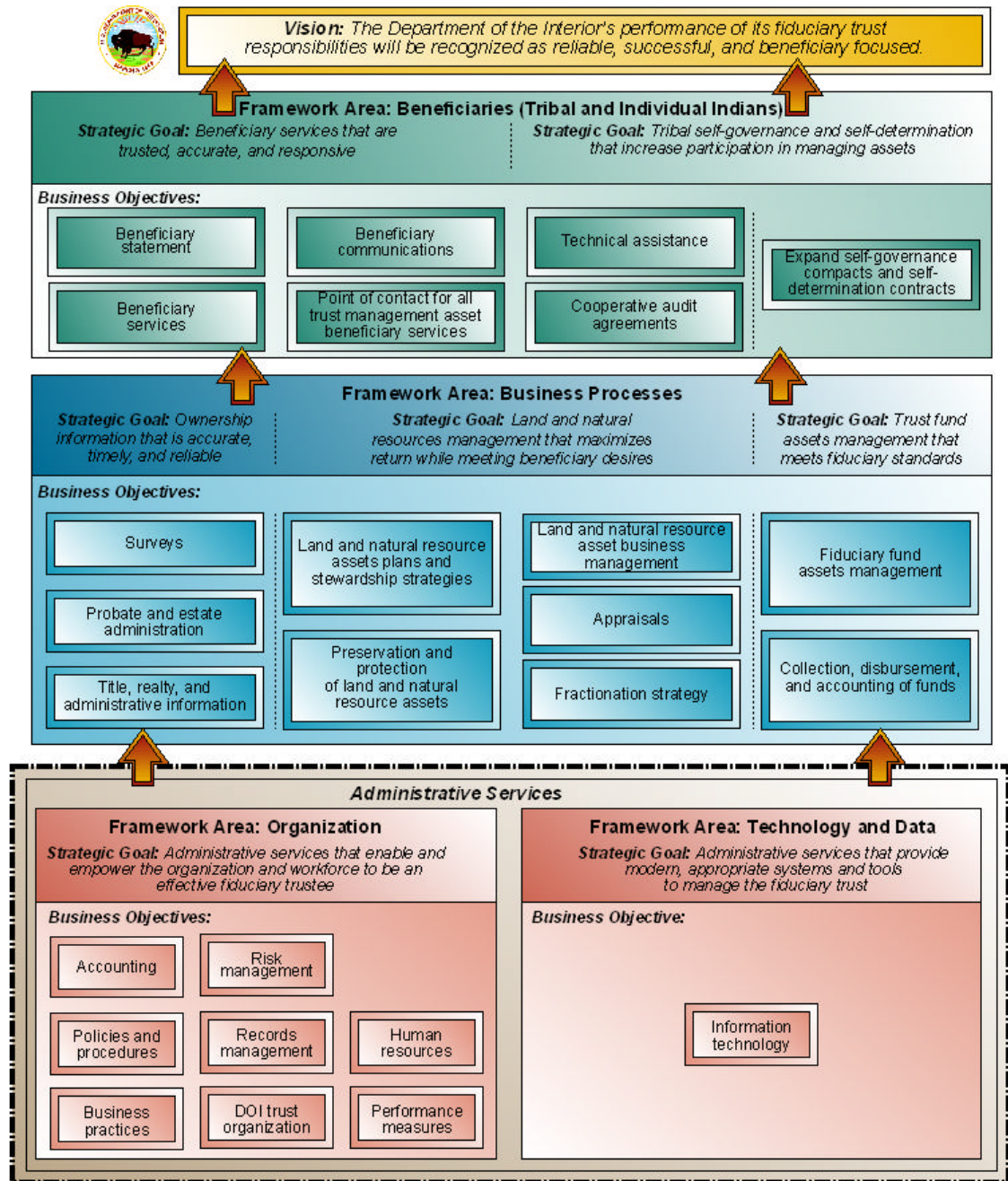

The rest of this chapter addresses the business profile, the foundation on which the business objectives are executed and operated. The four components of the business profile are as follows:

◆ *Business environment* (Section 3-3), the stakeholders and how they interact to fulfill DOI's trust management responsibilities and achieve the strategic goals and business objectives

    ◆ *Business Lines* (Section 3-4), the primary business functions

    ◆ *New service delivery model* (Section 3-5), the operational business model that enables DOI to achieve the objectives within the business environment

    ◆ *Operational obligations and standards* (Section 3-6), the standards that govern the operations of the Indian trust.

Figure 3-5 illustrates how these components constitute the foundation on which the business objectives rest.

Figure 3-5. Business Profile as Foundation of Strategic Framework
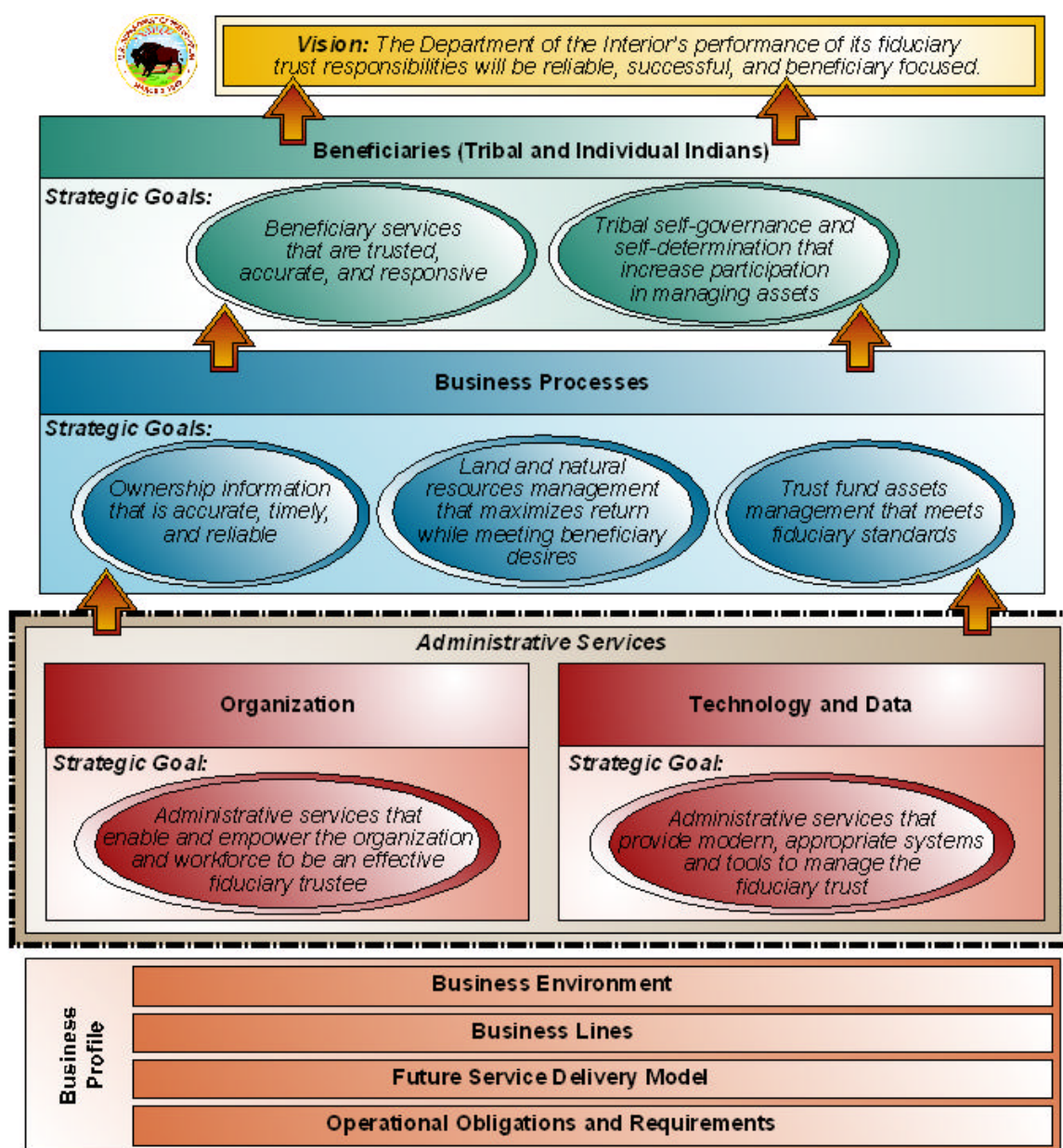
3.3 BUSINESS ENVIRONMENT

Now that the business objectives have been identified (Figure 3-3), the next step is to identify who is involved in achieving these objectives. DOI identified key stakeholders involved in providing trust management services. An active, productive, and cooperative partnership with the beneficiaries and the identified key stakeholders is an underlying element of the design and execution of the modernization effort.

Figure 3-6 shows these key stakeholders and identifies how they interact to fulfill DOI's trust management responsibilities. Success depends upon their continued involvement as DOI transitions toward the vision and achieves the strategic goals defined in Chapter 2. Each box in Figure 3-6 represents a key stakeholder, and each arrow defines continued consultation between and among stakeholders through exchange of ideas, information, and services as necessary for successful Indian trust management.
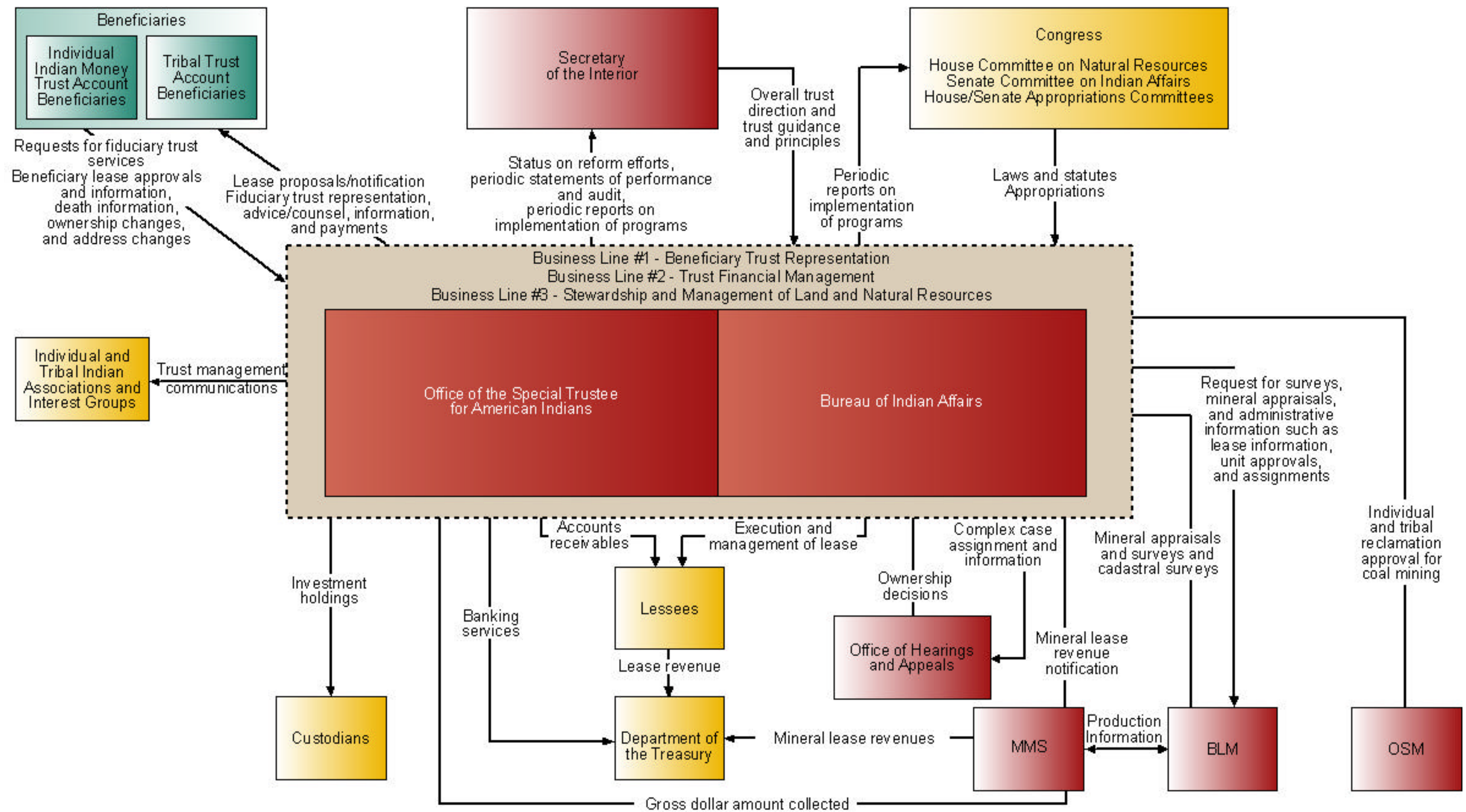
Figure 3-6. Trust Management Business Environment

Table 3-1 further defines the future relationship of each stakeholder to trust management as identified on the business environment chart (Figure 3-6).

Table 3-1. Stakeholders' Future Relationship to Trust Management

Stakeholder	Role as identified in the business environment model
Trustee: Congress	Congress enacts statutes and provides funding. Through the 1994 Reform Act, it established standards for trust management. It receives periodic reports on the implementation of trust management programs.
Trustee Designate: Office of the Secretary	The Secretary provides overall trust direction and principles. The Secretary receives status updates on reform efforts and reports on implementation of programs.
Beneficiaries	Beneficiaries request fiduciary trust services and receive fiduciary trust representation, advice and counsel, information, and payments. They provide lease approvals and information, such as address changes, ownership changes, and family updates.
Custodians	Custodians are financial institutions that settle trades, collect income, and hold securities.
Department of the Treasury	Treasury provides financial services. Lease revenues are submitted to Treasury through various DOI agencies, including MMS, BIA, OST, and tribes under compact and contract.
Lessees	Lessees lease Indian lands. BIA executes and manages the leases. OST accounts for, invests, and disburses income from leases. Funds are held in Treasury.
Office of the Solicitor	Office of the Solicitor provides legal counsel to DOI agencies and participates in probate for members of the Five Civilized Tribes.
Office of the Special Trustee for American Indians (OST)	OST provides financial management and disbursement, beneficiary trust services, and representation for individual Indians and Indian tribes. OST oversees DOI performance of trust management.
Bureau of Indian Affairs (BIA)	BIA provides stewardship and management of land and natural resources for individual Indians and Indian tribes. BIA handles small, noncomplex probate cases internally. BIA also maintains land title ownership information.
Minerals Management Service (MMS)	MMS collects and verifies mineral lease revenue and performs mineral compliance audits. It deposits revenue with the Federal Reserve Bank and posts the data with Treasury, notifies OST for investment purposes, and provides lease-level data to BIA to convert to individual and/or tribal ownership information and ultimate disbursement to beneficiaries.
Bureau of Land Management (BLM)	BLM conducts and submits mineral appraisals, leasing compliance, and contracts for cadastral surveys to BIA as required by law.
Office of Hearings and Appeals (OHA)	Complex probate cases go to OHA for an order determining heirs and distribution. When a decision is final, estate distribution involving ownership information is forwarded to BIA.

Table 3-1. Stakeholders' Future Relationship to Trust Management (Continued)

Stakeholder	Role as identified in the business environment model
Office of Surface Mining (OSM)	OSM directly regulates all coal mining and reclamation operations on Indian lands under the Indian Land Program Regulations. As the regulatory authority, OSM reviews and approves mining permits and conducts inspection and enforcement activities on Indian lands.
State Counties Cities Taxpayers	State, counties, and cities review and comment on trust land acquisition. Trust land within their jurisdictions impacts them through changes to the tax base and law enforcement jurisdiction.
Individual and tribal Indian associations and interest groups	The associations and interest groups provide insight to Indian requirements, needs, and expectations. DOI maintains public relations with associations, interest groups, and lobbyists to foster communication with the beneficiaries.

3.4 BUSINESS LINES

Distinct business lines, which provide the basis for developing the organizational structure, can be derived from the service delivery model. The three distinct business lines are as follows:

1. *Beneficiary trust representation*. Representing the beneficiaries in all matters related to the trust, which requires independent representation on behalf of the beneficiaries.

2. *Trust financial management.* Managing the receipt, investment, and disbursement of funds generated by Indian assets, as well as record keeping and reporting on fiduciary trust management activities and accounts.

3. *Stewardship and management of land and natural resources*. Managing the land and natural resource assets of the trust.

Each business line represents a distinct group of products or services for comprehensive trust management and encompasses related processes, products, and services within its scope. Each business line consists of common business processes focused on a particular activity. Defining comprehensive trust management in terms of business lines is critical for several reasons:

◆ Determining the major segments of the business provides the framework for designing the new organizational structure.

◆ Managing the expectations of both beneficiaries and staff begins with clearly defining the business of comprehensive trust management.

◆ Defining business lines provides a baseline for developing standard business processes and systems, as well as effectively aligning the organization with the business model.

This subsection describes the major products and services that comprise each business line. These are critical because they influence the design of business processes, information systems, and organizational structure. This definition of offerings, along with the business line descriptions, helps to define comprehensive trust management in the eyes of beneficiaries and other stakeholders, and to shape their expectations for service delivery.

Expectations of beneficiaries often exceed what DOI can accomplish within legislative boundaries. Products and services not listed because they fall outside these boundaries cannot be provided by comprehensive trust management.

BUSINESS LINE 1: BENEFICIARY TRUST REPRESENTATION

Beneficiary trust representation involves proactively communicating, providing trust management services, and representing the best interests of the beneficiaries in all trust matters. This business line establishes primary accountability for trust representation with OST. However, beneficiary representation is the primary responsibility of both BIA and OST. OST's objectives, for instance, are to provide beneficiaries with timely and accurate information on trust accounts. However, this business line is not the exclusive business line of OST or BIA. Beneficiary trust representation only can be performed successfully through coordinated efforts among involved or affected DOI agencies.

The primary beneficiary trust representation products and services within this business line are as follows:

◆ Advise beneficiaries and other DOI personnel on trust management processes and issues.

◆ Represent beneficiaries in fiduciary trust interests concerning trust assets and provide oversight of land and natural resource management.

◆ Provide beneficiaries with timely and complete fiduciary trust information and reports, and conduct consultation with tribal and individual trust beneficiaries regarding management of fiduciary trust assets.

◆ Facilitate beneficiary involvement in developing trust management plans, acquisition and disposal, and conveyances of trust assets.

◆ Provide Indian tribes with technical assistance to develop, implement, and manage their tribal trust fund investment plans.

◆ Provide periodic reports on oversight activities to appropriate senior leadership to identify and resolve barriers or problems in implementing trust reform.

◆ Coordinate DOI efforts in providing trust services.

BUSINESS LINE 2: TRUST FINANCIAL MANAGEMENT

Trust financial management involves managing the collection, receipt, investment, and disbursement of funds generated by assets, as well as record keeping and reporting on trust management activities. Distinct from representing the beneficiaries or managing land and natural resources, this business line represents financial management and record keeping for the entire trust. It requires standardized processes, systems, and a competent staff to operate effectively. Not only does it invest asset revenues, but also manages all account information and provides the master records required for operations within comprehensive trust management. BIA, MMS, and OST are accountable for this business line.

The primary financial management services provided are as follows:

◆ BIA:

➤ Determine ownership of land and natural resource assets to facilitate distribution of funds and assist with collection of revenues from trust assets.

➤ BIA collects funds from non-mineral leasing activities

◆ MMS: Collect gross mineral lease revenue

◆ OST:

➤ To ensure collection of funds from trust assets

➤ After receipt of funds, maintain account balances, invest, disburse, and issue quarterly statements

➤ Invest trust fund assets as regulated by statute to provide prudent rates of return while considering the best interests of the beneficiaries.

BUSINESS LINE 3: STEWARDSHIP AND MANAGEMENT OF LAND AND NATURAL RESOURCES

Stewardship of land and natural resources involves the management of these resources and assets in the best interest of the individual beneficiaries. This business line represents the trust interest in management and revenue generation from the trust physical assets. It is BIA's responsibility to manage trust assets in accordance with applicable treaties, laws, and regulations. When practical and

desirable, this business line also involves promoting Indian self-governance and self-determination through advice and counsel on asset management. This business line reports through the management chain to the Assistant Secretary—Indian Affairs who oversees performance.

The stewardship products and services are as follows:

- BIA:

  - Provide stewardship and management of land and natural resource assets in the best interests of the beneficiaries, while fulfilling fiduciary and legal responsibilities. BLM provides approval of operations for mineral leases.

  - Obtain cadastral surveys from BLM to establish accurate surveys and ensure correct boundaries for individual and tribal lands.

  - Provide title, realty, and administrative information. This entails developing, maintaining, and making readily available accurate and current land asset ownership and administrative information, including acquisition, conveyance, right of way and easements, mortgages and assignments, and disposal functions.

  - Encourage and support compact and contract opportunities associated with trust management to promote Indian self-governance and self-determination.

  - Ensure probates are performed when appropriate.

Many other important activities are involved in comprehensive trust management, but they play a supporting or oversight role and are not part of the main business lines. These will be accounted for as product or service requirements are identified as the organizational model is developed.

3.4.1 Supporting Products and Services

A number of products or services enable comprehensive trust management to deliver services to beneficiaries or support senior management in the execution of their duties. DOI must account for these items because they must be incorporated in the process design, systems design, and staffing requirements analysis. They are as follows:

- OHA: Estate adjudication

- MMS: Collection and verification of mineral lease revenues and mineral compliance audits

◆ BLM:

  ➤ Mineral appraisals

  ➤ Cadastral surveys

  ➤ Mineral lease operations, approval, and compliance

  ➤ Technical assistance and advice on proposed BIA mineral actions

◆ OSM:

  ➤ Mining permits

  ➤ Inspections

◆ OST:

  ➤ Comprehensive trust management modernization plan

  ➤ Appraisals

  ➤ Status updates on reform efforts

◆ BIA:

  ➤ Status updates on reform efforts

  ➤ Periodic statements of performance and audits

  ➤ Annual report on implementation of programs and assessment of budget as requested by Congress

  ➤ Periodic reports as requested by the court

3.5 FUTURE SERVICE DELIVERY MODEL

The new trust management service delivery model identifies the new mode of comprehensive trust management business operations (Figure 3-7). It identifies who provides products and services and the flow of products and services. It depicts OST and BIA working together as a cohesive team.

Figure 3-7. Future Service Delivery Model
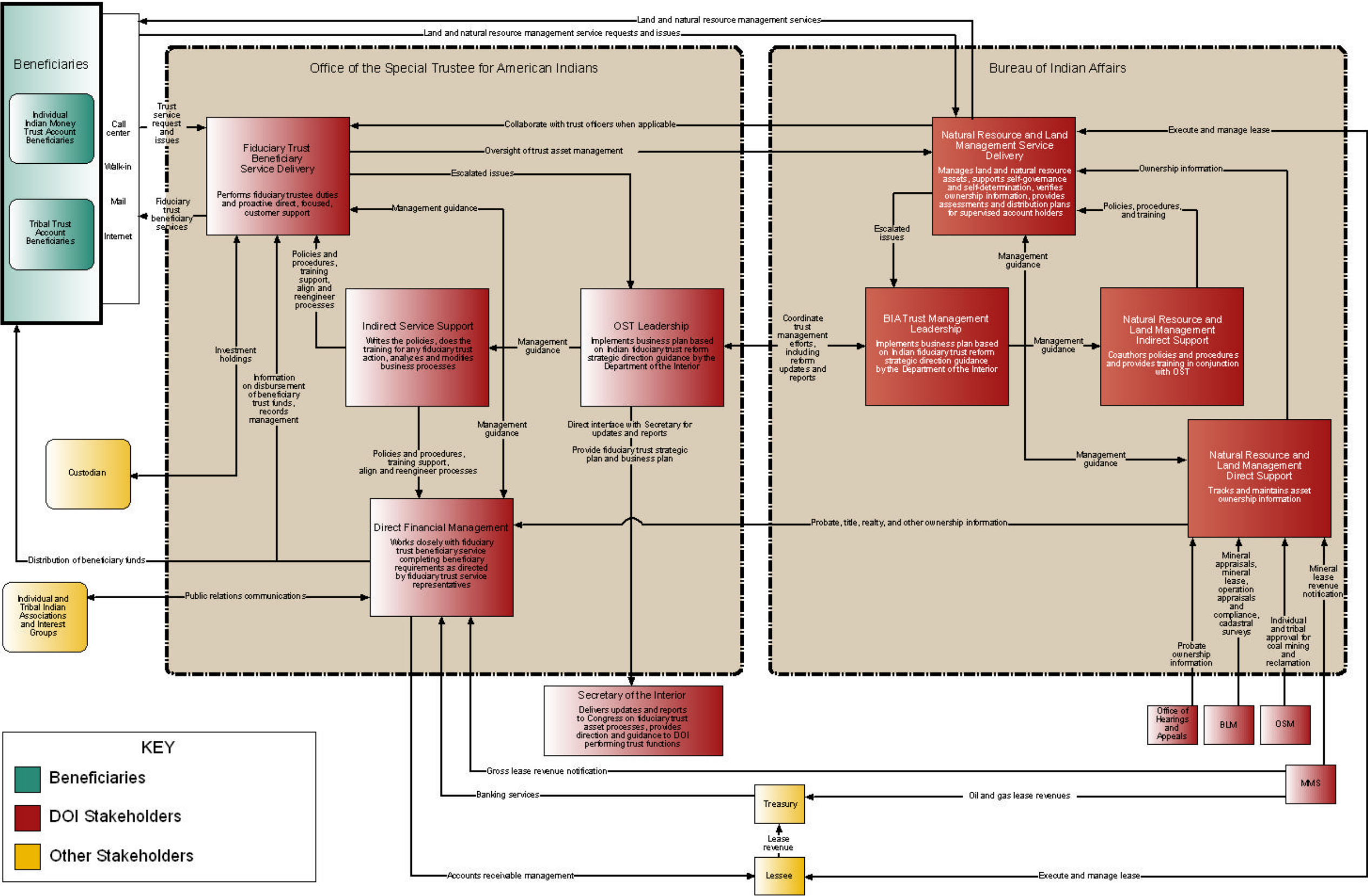
The model begins on the left with beneficiaries requesting and receiving services through various service channels. The primary contact for beneficiary fiduciary trust services will be OST and/or BIA. The service delivery staff directly supports the beneficiaries. Indirect and direct support staffs further enhance these beneficiary support functions, and leadership directs and guides operations.

Along the lower section of the diagram are the other key stakeholders involved. The service delivery model details those within OST and BIA responsible for co-ordinating efforts with these key stakeholders.

The following subsections define the relationship and role of the three key players in trust management services: beneficiaries, OST, and BIA.

3.5.1 Beneficiaries

The service delivery model begins with the individual Indian and tribal beneficiaries requiring trust services, such as receiving trust account information, routine trust account statements, advice, and guidance. The intent is to maintain BIA service delivery representatives and to provide beneficiaries with an additional point of contact for all trust service requests and ownership information updates across all areas. Therefore, beneficiaries will continue to have access to the BIA in addition to an assigned trust officer within OST. Eventually, DOI anticipates that ownership information will be accessible to beneficiaries through various communication channels/contact methods—for example, walk-in, direct phone line, the Internet, a call center, or postal mail—to provide improved access.

3.5.2 Office of the Special Trustee for American Indians

OST is responsible for beneficiary fiduciary trust representation and trust financial management. Four main business groups are needed to perform these functions:

1. Fiduciary trust beneficiary service delivery

2. Direct support

3. Indirect support

4. Leadership.

3.5.2.1 FIDUCIARY TRUST BENEFICIARY SERVICE DELIVERY

Trust officers will provide fiduciary trust asset services and oversee trust asset management. First, trust officers will maintain information and provide a point of contact for all trust asset management information and services. Second, trust officers will establish and maintain close working relations with BIA agency super-intendents as they provide oversight of beneficiary asset management. Trust

officers monitor at-risk decisions and transactions and collaboratively work with BIA to reach a consensus on final actions. Risk identifiers will be defined at a later date.

3.5.2.2 DIRECT SUPPORT

For trust officers to fulfill their role, they need direct support. The direct support team captures, maintains, and tracks fund asset information. Direct support is responsible for records management, accounting of funds, investments, and disbursement of payments.

3.5.2.3 INDIRECT SUPPORT

To ensure effective and efficient operations, OST requires indirect support to develop policies and procedures, provide training, and reengineer business processes—as applicable—to ensure standardized, best-practice operations. Indirect support also is required to provide the infrastructure for well-trained trust officers, direct support staff, and OST leadership.

3.5.2.4 OST LEADERSHIP

OST leadership is responsible for the following: implementing the business plan on the basis of DOI strategic guidance; measuring implementation results; updating the business plan accordingly; and informing the Secretary on trust reform efforts. The leadership also provides guidance and direction for service delivery, direct support, and indirect support.

OST leadership ensures that efforts within OST and between OST and BIA are coordinated. Although a separate trust management division is proposed in Chapter 4, DOI will attempt to avoid stovepiped operations by establishing policies and procedures to foster communications and strong working relations among OST, BIA, BLM, MMS, and other key agencies.[10]

3.5.3 Bureau of Indian Affairs

BIA is responsible for stewardship and management of land and natural resources, and beneficiary communication. Four main business groups are needed to perform these functions:

1. Service delivery

2. Direct support

3. Indirect support

4. Leadership.

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[10] Stovepiping—singling out of a specific operation without regard for integration efforts.

3.5.3.1 SERVICE DELIVERY

The BIA service delivery staff manages land and natural resource assets, supports self-governance and self-determination, updates and verifies ownership information, and ensures collection of non-mineral lease revenues. They conduct assessments and develop distribution plans for beneficiaries, including conducting due process to place appropriate accounts in supervised status. The service delivery staff also develops and maintains close working relations with OST service delivery staff in order to provide services to beneficiaries and communicate with them.

3.5.3.2 DIRECT SUPPORT

To do its job, the service delivery staff needs a direct support staff to capture, maintain, and track asset ownership information. The direct support staff also provides real estate services, such as resolving probate cases, and natural resource management services.

3.5.3.3 INDIRECT SUPPORT

To ensure effective and efficient operations, BIA requires indirect support to develop policies and procedures, provide training, and reengineer business processes as applicable. These indirect support efforts are coordinated with OST and ensure standardized, best-practice operations.

3.5.3.4 BIA LEADERSHIP

BIA leadership is responsible for implementing the business plan on the basis of DOI strategic guidance, measuring implementation results, and updating the business plan accordingly. The leadership also provides guidance and direction for service delivery, direct support, and indirect support. Additionally, it ensures coordinated efforts within BIA and maintains close working relations with OST. Leadership reports to the DOI Secretary on trust performance.

3.6 FIDUCIARY OBLIGATIONS AND REQUIREMENTS

3.6.1 Fiduciary Obligations

Interior has examined the requirements applicable to administration of the Individual Indian Monies (IIM) accounts. The primary accounting requirements that Interior must meet is set by the 1994 Act. The Act specifically describes the accounting duties owed by DOI to tribes and individual Indians. The act requires DOI to:

- provide adequate systems for accounting for and reporting trust fund balances;

- provide adequate controls over receipts and disbursements;

◆ provide periodic, timely reconciliations to assure the accuracy of accounts;

◆ determine accurate cash balances;

◆ prepare and supply account holders with periodic statements of their account performance and with balances of their account which shall be available on a daily basis;

◆ establish consistent, written policies and procedures for trust fund management and accounting;

◆ provide adequate staffing, supervision, and training for trust fund management and accounting;

◆ account for the daily and annual balance of all funds held in trust for the benefit of individual Indians;

◆ provide a periodic statement of performance at the end of each calendar quarter to each IIM account holder that identifies: a) the source, type and status of the funds; b) the beginning balance; c) the gains and losses; d) the receipts and disbursements; and e) the ending balance; and

◆ perform an annual audit of all funds held in trust by the United States for the benefit of individual Indians.

Thus, the 1994 Act requires that certain systems or programs be implemented to achieve the 1994 Act's standards for beneficiary service. It uses terms such as "adequate" and "timely," but the Act generally does not specify the manner in which Interior must structure or operate its accounting programs. Instead, Interior must exercise its best judgment in determining which of myriad ways to operate an accounting program that effectively fulfills the statutory obligations.

3.6.2 Fiduciary Trust Management Requirements

Interior looks to a number of sources as guidance to inform its judgment and assess its performance in meeting the 1994 Act's requirements: applicable federal statutes, Interior regulations, the *Departmental Manual*, OMB circulars, Department of the Treasury guidelines, generally accepted accounting and auditing standards, its employees' and consultants' experience and expertise, as well as other sources of relevant fiduciary practices.

Many statutory, regulatory, departmental, and OMB requirements provide direction toward meeting the fiduciary obligations of the Indian trust. Table 3-2 summarizes some of these requirements that may contain provisions affecting the trust management business lines.

Table 3-2. Examples of Statutory and Regulatory Requirements

	#1 Beneficiary trust representation	#2 Trust financial man-agement	#3 Stewardship of land and natural resources	All three business lines
Computer Crime Act of 1984				x
Computer Fraud and Abuse Act of 1986, Public Law 99-474, 18 United States Code (U.S.C.) 1030				x
American Indian Trust Fund Management Reform Act of 1994				x
Appraisal handbook			x	
BIA/OST Interagency Handbook				x
Computer Matching and Privacy Protection Act of 1986, Public Law 101-56				x
Computer Security Act of 1987, Public Law 100-235, 40 U.S.C. 759				x
DOI Departmental Manuals				
303—Principles for Managing Indian Trust Assets				x
375—Information Technology Security Program				x
376—Chapter 19, Information Technology Security Program, April 15, 2002				x
380—Records Management Program and Responsibilities				x
384—Records Disposition				x
441—Personnel Suitability and Security Requirements, Chapter 1-6				x
444—Physical Security and Building Security, Chapter 1				x
486—Vital Records				x
DOI Information Technology Security Plan (ITSP), Version 2.0, April 15, 2002				x
DOI Information Technology Security Reference Handbook, September 2001				x
DOI Risk Assessment Guideline, April 23, 2002				x
DOI Contingency Planning Guideline, April 22, 2002				x
DOI System Security Plan (General Support System [GSS]) Guide and Template, May 31, 2002				x
DOI System Security Plan (major application [MA]) Guide and Template, May 31, 2002				x
Electronic Communications Privacy Act of 1986, PL 99-508				x
Federal Oil and Gas Royalty Management Act of 1982				x

Table 3-2. Examples of Statutory and Regulatory Requirements (Continued)

	#1 Beneficiary trust representation	#2 Trust financial management	#3 Stewardship of land and natural resources	All three business lines
Federal Records Act of 1950		x		
Federal Information Processing Standard (FIPS) PUB 102, Guideline for Computer Security Certification and Accreditation, September 1983				x
FIPS PUB 31, Guidelines for Automated Data Processing Physical Security and Risk Management, June 1974				x
FIPS PUB 73, Guidelines for Security of Computer Applications, June 1980				x
Freedom of Information Act, 5 U.S.C. 552				x
Generally accepted government auditing standards (GAS/GAGAS)—"Yellow Book"		x		
Generally accepted accounting principles applicable to Indian trust (Federal Accounting Standard Board (FASB), American Institute of Certified Public Accountants (AICPA), Governmental Accounting Standard Board (GASB), etc.)		x		
Government Information Security Reform Act (GISRA), Title X, Public Law 106-398				x
Government Performance and Results Act (GPRA) of 1993, Public Law 103-62, 107 Stat., 5 U.S.C. Section 306, 31 U.S.C. 1105, 1115-1119, 3515, 9703-9704				x
Information Technology Management Reform Act of 1996 (Clinger-Cohen Act), Division E of Public Law 104-106, 40 U.S.C. 1401				x
National Archives and Records Administration (NARA) in 36 Code of Federal Regulations (C.F.R.) and 44 U.S.C.				x
National Security Act, as amended, Public Law 102-485				x
National Institute of Standards and Technology (NIST) Special Publications (SPEC PUB)				
SPEC PUB 800-12—An Introduction to Computer Security: The NIST Handbook, October 1995				x
SPEC PUB 800-14—Generally Accepted Principles and Practices for Securing Information Technology Systems, June 1996				x
SPEC PUB 800-18—Guide for Developing Security Plans for Information Technology Systems, December 1998				x
SPEC PUB 800-26, Security Self-Assessment Guide for Information Technology Systems, November 2001				x
SPEC PUB 800-30, Risk Assessment Guide for Information Technology Systems, January 2002				x
SPEC PUB 800-34, Contingency Planning Guide for Information Technology Systems, June 2002				x
SPEC PUB 800-47, Security Guide for Interconnecting Information Technology Systems, September 2002				x
Office of Management and Budget Circulars				

Table 3-2. Examples of Statutory and Regulatory Requirements (Continued)

	#1 Beneficiary trust representation	#2 Trust financial management	#3 Stewardship of land and natural resources	All three business lines
A-11, "Preparing, Submitting, and Executing the Budget," June 22, 2002				x
A-50, "Audit follow-up Inspector General (IG)/General Accounting Office (GAO)"		x		
A-123, "Management, Accountability, and Control"				x
A-127, "Financial Management Systems," July 23, 1993				x
A-130, "Management of Federal Information Resources," February 8, 1996				x
OST Investment Policy	x	x		
Paperwork Reduction Act of 1978, as amended, Public Law 103-13, 109 Stat 163, 44 U.S.C. Ch 35				x
Privacy Act of 1974, Public Law 93-579, 5 U.S.C. 552a (1974)				x
Prudent man rule subject to limitations under 25 U.S.C. 162 (a)		x		
Sections applicable to Indian Trust of the Uniformed Principal and Income Act		x		
Statement of Auditing Standards 70 review related to trust fund accounting system				x
The Chief Financial Officers Act of 1990, Public Law 101-576, 31 U.S.C. 901, et. seq., as amended		x		
The Federal Financial Management Improvement Act of 1996		x		
The Federal Managers' Financial Integrity Act of 1982, Public Law 97-255, 31 U.S.C. 1352		x		
Title 25 of the United States Code and applicable regulations for land use and leasing			x	
Universal Standards of Professional Appraisal Practices			x	

For further information on which functions within each business line are affected by these requirements, refer to Appendix C.

3.7 TRANSITION TO CHAPTER 4

Chapter 4 defines the new organization. It also describes the roles and responsibilities needed to support the new service delivery model, achieve the business objectives, and meet the fiduciary obligations.

Chapter 4
Organizational Realignment

4.1 INTRODUCTION

The updated strategic direction and business profile provide the fundamental information needed to reform and revitalize an organization. How the organization is structured to support the business lines is equally critical to success. The realignment is a major component of the overall modernization effort. As portrayed in Figure 4-1, realigning the organization is the next important step toward realizing comprehensive trust management. Figure 4-2 shows the roadmap to and core components of this chapter.

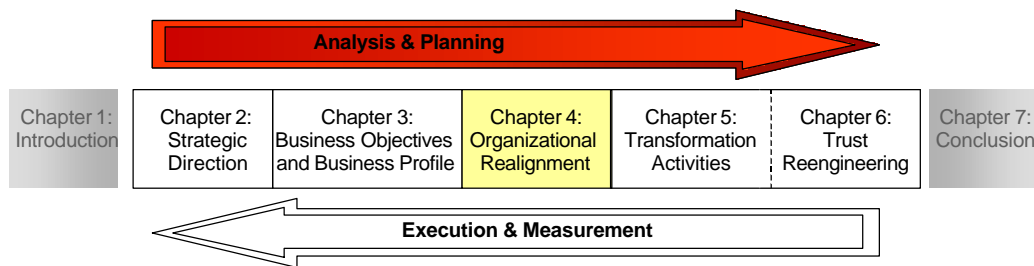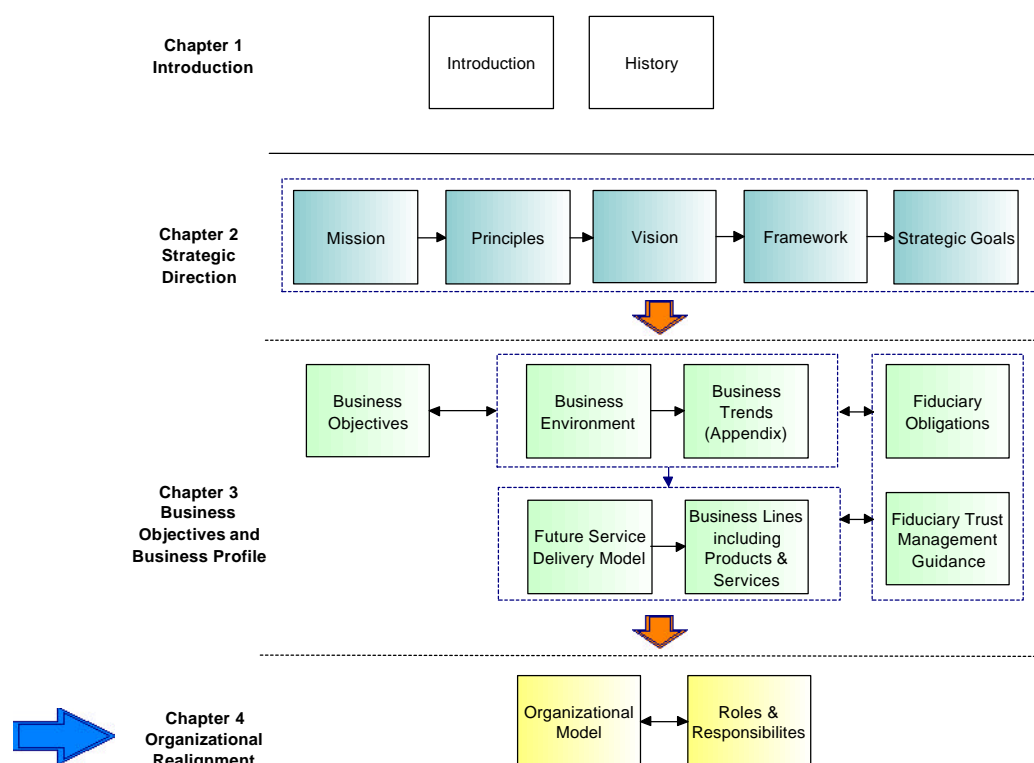*Figure 4-1. Comprehensive Assessment and Planning Methodology*

Figure 4-2. Roadmap to and Core Components of Chapter 4

4.2 BACKGROUND

DOI has undertaken many trust reform initiatives over the years, with modest success and unanticipated failure. Most interested parties know that continued individual initiatives will not generate the breadth or depth of improvement required. Accordingly, DOI has set in motion a complete modernization of Indian trust management, addressing all aspects of service delivery, including organizational design.

Reorganization is vital to this multifaceted approach to trust reform. Past attempts to change the organization have met with resistance and mixed results. The Joint DOI/Tribal Leaders Task Force discussions clearly linked organizational structure with the ability to provide quality services to trust beneficiaries.

This chapter contains the plan for reorganizing DOI's Indian trust operations to improve the effectiveness and accountability of trust management. The implementation of this organizational design will enhance benefits to trust beneficiaries in the following ways:

◆ Dedicating personnel to provide consolidated beneficiary services

◆ Increasing the emphasis on tribal contracting and compacting

◆ Maintaining staff and conserving monetary resources within BIA and OST

◆ Improving organizational accountability

◆ Elevating the profile of Indian economic development

◆ Grouping organizational functions more efficiently.

4.3 TRIBAL CONSULTATION

DOI held sessions with the Joint DOI/Tribal Leaders Task Force to discuss collaboratively the organizational issues related to trust reform. The task force evaluated numerous proposals for trust reform that had been submitted to the Secretary of the Interior. In addition, it assisted DOI in reviewing current practices. The task force provided proposals to the Secretary on organizational alternatives for the management of trust services within DOI.

The task force represented a broad cross-section of tribal interests. It consisted of two leaders from each of the twelve BIA regions, with a third acting as an alternate. Members of the federal team were senior Department officials. The task force held joint multiday meetings in Shepherdstown, WV, Phoenix, AZ, San Diego, CA, Minneapolis, MN, Bismarck, ND, Portland, OR, Anchorage, AK, Alexandria, VA, and Washington, DC.

The task force ultimately agreed to recommend that Congress establish the position of Undersecretary for Indian Affairs, appointed by the President, confirmed by the Senate, and reporting directly to the Secretary. The Undersecretary would have direct-line authority over all aspects of Indian affairs within DOI. This authority would include coordination of trust reform efforts across the relevant agencies and programs within DOI to ensure these functions are performed in a manner consistent with its trust responsibility. The Office of the Special Trustee for American Indians would be phased out.

The task force also agreed that the Office of Self-Governance and Self-Determination should report directly to the new Undersecretary for Indian Affairs. This arrangement would enhance the ability of tribes interested in moving toward more compacting and contracting to directly provide the services due to Indian beneficiaries. Similarly, the task force agreed that any authorizing legislation would also include the creation of a Director of Trust Accountability, reporting directly to the Undersecretary, who would have day-to-day responsibility for overseeing the trust programs of DOI.

Members of the task force also recommended a restructuring of BIA. DOI and the tribal representatives agreed that the status quo was unacceptable and that DOI's long-standing approach to trust management needed to change. Moreover, this change must be reflected in a system that is accountable at every level, with people trained in the principles of trust management.

After nearly a year of task force meetings and organizational consultations, the process closed with a final consultation session in Washington, DC, in December 2002. Although the task force consultation process did not reach consensus on draft legislation supporting a trust organization structure, it did reveal the desires of the tribes regarding the kind of reorganization that would both strengthen trust functions and meet the beneficiaries' needs.

4.4 NEW ORGANIZATION

The new organizational structure, approved by the appropriate Congressional committees in December 2002, better supports achievement of the modernization goals and objectives. The future comprehensive trust management organization must fully align with the new strategic direction and business profile, and its roles, responsibilities, and resources must effectively support the new service delivery model.

DOI analyzed the service delivery model to document elements with a common purpose and function. To design an organization that effectively executes service delivery, DOI placed directly related activities under a responsible manager to ensure clear direction, management, and responsibility. DOI aligned subordinate layers under the responsible managers until all functions were fully accounted for in the organizational model. Properly aligning these elements with the service delivery model ensures efficient workflow. Finally, DOI evaluated the new design for compliance with selected organizational objectives used to guide the initial analysis. These organizational objectives are as follows:

- Support a strong, beneficiary-focused service delivery

- Align responsibility, function, and authority

- Align duties and responsibilities such that different functional activities are not duplicated in another part of DOI

- Provide effective management controls

- Support accurate and timely reporting

- Support performance measurement

- Support personal and organizational accountability

- Clearly assign and integrate fiduciary obligations.

The new organizational structure aligns with the service delivery model (Figure 3-7) and supports the overarching principles of performance and account-ability. This model, described in the following sections, represents the intended

and desired—but not yet implemented—structure. The new structure will require revising the *DOI Departmental Manual*, which addresses operations.

4.5 SERVICE DELIVERY ASSESSMENT

The service delivery functions (as shown in the service delivery model in Chapter 3) are key to developing the organizational structure. They assist in identifying the specific organizational elements responsible for delivery of products and services, and for providing critical support to the direct delivery functions. The service delivery model indicates that four primary offices within DOI are critical to reforming comprehensive trust management:

◆ The Office of the Assistant Secretary—Indian Affairs oversees BIA, which has stewardship and management of trust lands and natural resources in addition to other responsibilities and services outside of trust program activities.

◆ The Office of the Assistant Secretary—Land and Minerals Management continues to provide support services to BIA for trust land and mineral matters through BLM, MMS, and OSM.

◆ The Office of the Assistant Secretary—Policy, Management and Budget continues to provide support services to BIA (through OHA) in the determination of disputed legal ownership and certain probate issues.

◆ Office of the Special Trustee for American Indians (OST) provides the fiduciary trust management activities and oversight.

Within the four primary offices many organizational components—located in the central office, regions, and agencies—support comprehensive trust management (Figure 4-3). (Figure 4-3 displays only the organizational elements involved in comprehensive trust management.)

*Figure 4-3. Summary Overview—Comprehensive Trust Management Structure
(only key officers with significant trust duties are shown)*
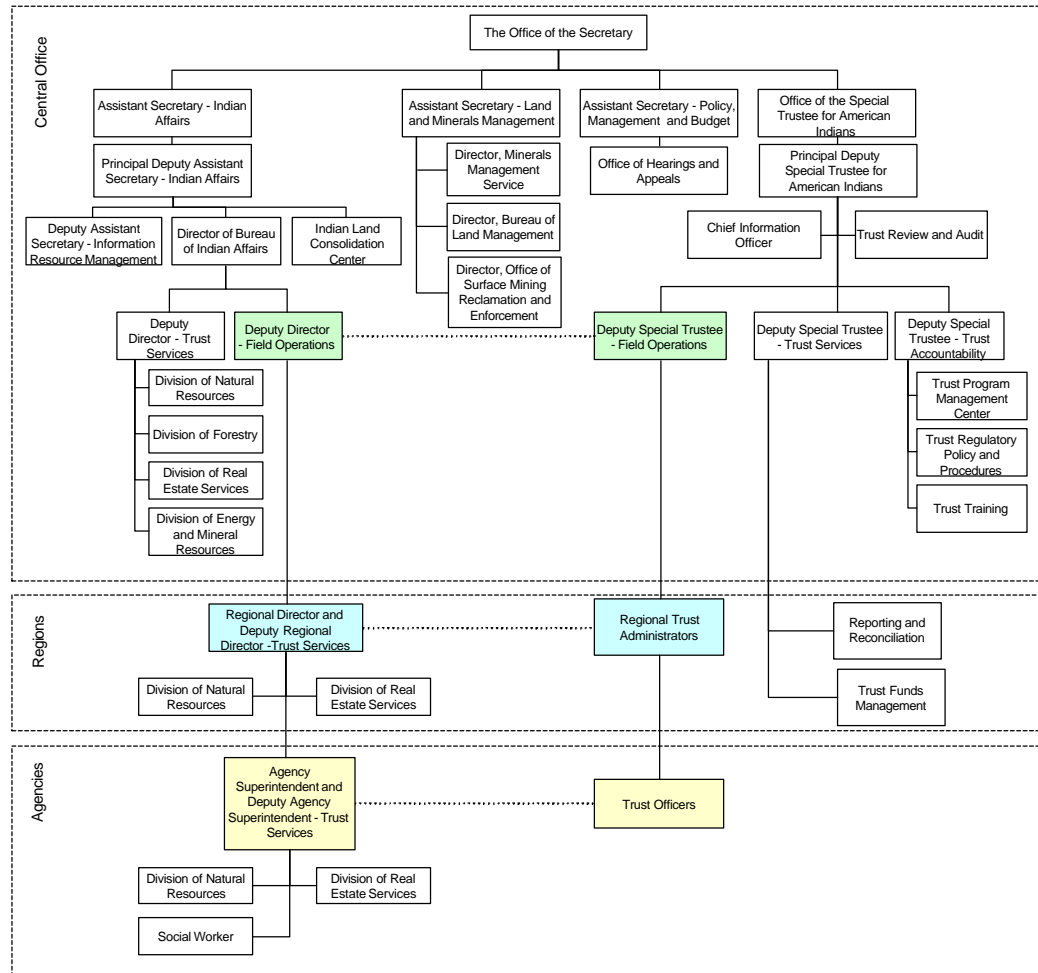
Note: The shaded boxes and dotted lines between them indicate a working relationship and the need to coordinate and communicate trust management issues. This coordination provides the connectivity needed to avoid stovepiping of trust management functions in the different organizations.

The following sections describe the locations—central office, regions, and agencies—and their structures.

4.5.1 Central Office

Figure 4-4 shows the overall comprehensive trust management structure in the central office related to Fiduciary trust asset management.

Figure 4-4. Central Office—Comprehensive Trust Management Structure
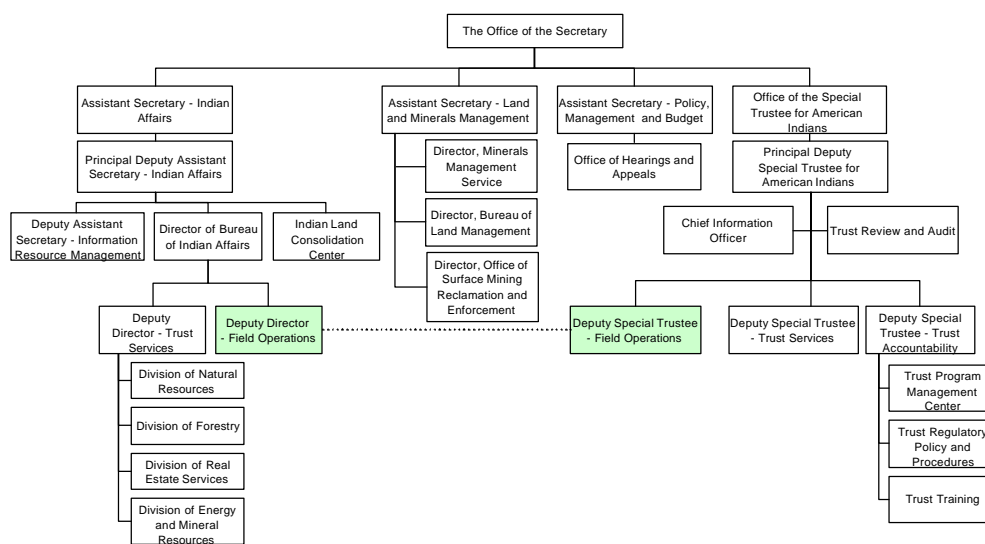
Notes: The shaded box and dotted line from the Deputy Director for Field Operations to the OST side of the structure indicate a working relationship. The Deputy Special Trustee for Field Operations will be located in Washington, DC, or Albuquerque, NM.

4.5.1.1 BUREAU OF INDIAN AFFAIRS

BIA has primary responsibility for the stewardship of Indian and tribal natural resources and land management. The BIA structure in the central office provides leadership and guidance through statutes, regulations, policies, and procedures for servicing trust land management. The principal element is the Office of the Deputy Director—Field Operations.

The Deputy Director—Field Operations provides the direct line authority to the regions. The Deputy Director—Trust Services provides policies, procedures, and guidance for natural resources management in the field through the following divisions:

◆ Division of Natural Resources

➤ Water resources

➤ Irrigation and safety of dams

➤ Agriculture/Range management

➤ Fish, wildlife, and parks

◆ Division of Real Estate

➤ Land acquisition and disposal

➤ Land title records office

➤ Probate

➤ Rights-of-way

➤ Lease/permit

◆ Division of Forestry

➤ Forestry and Fire

◆ Division of Energy and Minerals Resources

➤ Energy and Minerals Management.

The Office of the Assistant Secretary—Indian Affairs shares responsibility with OST for information technology policy, planning, architecture, configuration management, engineering, security, privacy, project management, development, and operation of trust systems and their integration with the DOI and federal architecture.

4.5.1.2 MINERALS MANAGEMENT SERVICE, BUREAU OF LAND MANAGEMENT, AND OFFICE OF SURFACE MINING

The MMS supports mineral lease revenue collection, disbursement activities, and audit compliance for the trust programs. BLM provides mineral appraisals, mineral operations approval and compliance, and cadastral surveys of beneficiaries' trust land. OSM regulates all coal mining and reclamation operations on Indian lands under the Indian Lands Program Regulations. The line of authority for MMS, BLM, and OSM goes to the Assistant Secretary—Land and Minerals Management.

4.5.1.3 OFFICE OF HEARING AND APPEALS

OHA issues probate orders determining heirs to trust land through the complex probate estate administration, and the line of authority is to the Assistant Secretary—Policy, Management and Budget.

4.5.1.4 OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

OST provides fiduciary guidance, management, and leadership for both tribal trust accounts and IIM accounts. OST oversees and coordinates DOI efforts to ensure establishment of consistent policies, procedures, systems, and practices throughout DOI. OST consists of the following organizational units, which perform oversight activities and operations for OST personnel:

◆ Chief Information Officer provides and maintains the information technology where beneficiary records information resides.

◆ Trust Review and Audit analyzes reports and production data for accuracy and manages contractors performing independent audits.

◆ Deputy Special Trustee for Trust Accountability coordinates policy, development of regulations, and establishment of procedures for comprehensive trust management.

◆ Deputy Special Trustee for Trust Services provides beneficiary trust records maintenance, trust fund management, and investment services.

◆ Deputy Special Trustee for Field Operations manages the interface with beneficiaries, overseeing and providing technical assistance to the trust officers.

4.5.2 Regions

The regional structure provides the trust elements needed for delivery of trust management services and support to the field. Figure 4-5 shows the regional structure, which addresses the BIA and OST trust management functions in the regions.

Figure 4-5. Region—Comprehensive Trust Management Structure
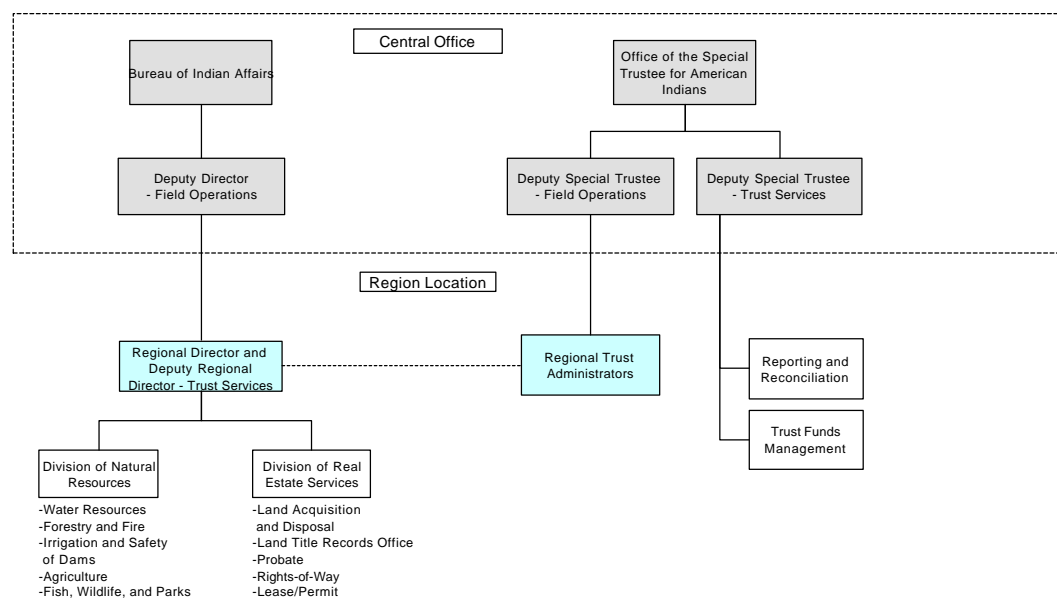
4.5.2.1 BIA REGIONAL DIRECTOR

The Regional Director's office, which includes trust operations, provides stewardship of natural resource and land management technical assistance to agency superintendents. A deputy director provides line authority for the Division of Natural Resources and Division of Real Estate, which provide policy and decision support to the agencies.

The Deputy Regional Director for Trust Services provides information and assistance to the OST regional trust administrators. The working relationship is similar to that between the Deputy Director—Field Operations and Deputy Special Trustee—Field Operations.

4.5.2.2 OST REGIONAL FIDUCIARY TRUST ADMINISTRATORS

The regional fiduciary trust administrators provide the direct line authority connection to the agency trust officers. They closely monitor the field activities while providing policy and guidance. The regional trust administrators provide some of the direct support functions to the agency-level trust officers and resolve issues escalated by the trust officers.

4.5.2.3 OST OTFM AND REPORTING AND RECONCILIATION

The Office of Trust Funds Management (OTFM) and the Office of Reporting and Reconciliation are located in Albuquerque, NM. They directly support the agency trust officers. OTFM records, invests, and disburses beneficiary trust fund assets. The Office of Reporting and Reconciliation is responsible for internal and external reconciliation and reporting.

4.5.3 Agency

The interaction between the beneficiaries and comprehensive trust management elements takes place in the agencies. The likely contacts for beneficiaries are the Deputy Agency Superintendents—Trust Services in BIA and the Trust Officers in OST. Figure 4-6 shows the relationship and direct-line authority from the regions to the agencies.

Figure 4-6. Agency—Comprehensive Trust Management Structure
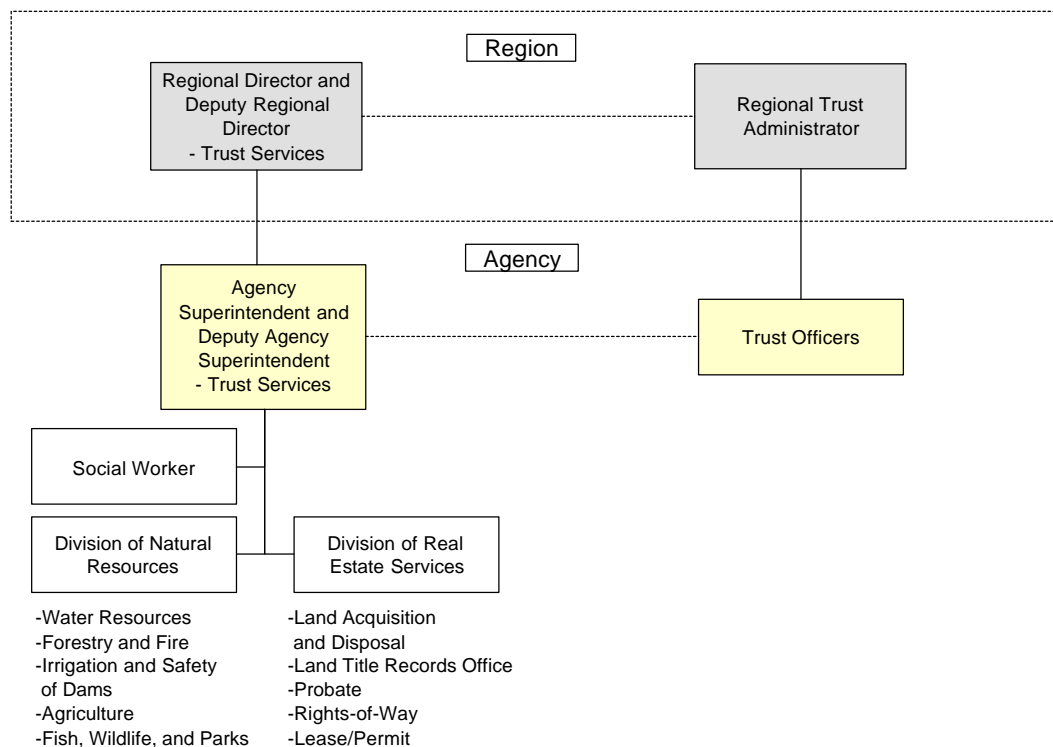
4.5.3.1 BIA DEPUTY AGENCY SUPERINTENDENTS—TRUST SERVICES

The Agency Superintendent is the responsible official for managing all BIA activities at an agency office. The following activities, however, may be performed by a Deputy Agency Superintendent for Trust (DAST), when one is available:

◆ DAST will work with tribes and individuals on developing trust resource management plans.

◆ DAST will develop and implement trust fund expenditure plans for supervised and encumbered accounts.

◆ DAST will develop natural resource protection, maintenance, use and enhancement plans, and ensure that cultural and environmental concerns are considered and addressed.

◆ DAST will ensure that regulatory and procedural requirements for management of day-to-day natural resource business processes are made available to tribes and followed.

◆ DAST is the appropriate liaison to contract and compacted tribes regarding the tribes management of their natural resources.

◆ DAST is the appropriate liaison to state, local, and other federal agencies to promote contracting and compacting for protection of trust natural resources, resolving boundary disputes, conservation enforcement, cooperative agreements for fire suppression and habitat development, etc.

◆ DAST will at times have full access to trust officers employed by Interior and work in a collaborative style to ensure a seamless presentation of trust management processes to all trust beneficiaries.[11]

4.5.3.2 OST FIDUCIARY TRUST OFFICERS

The OST fiduciary trust officers interact with beneficiaries for trust needs. The trust officers work closely with the Deputy Agency Superintendents and their staff to work on beneficiary issues and ensure the beneficiaries are receiving delivery of products and services. Some of their specific duties include the following:

◆ One or more trust officers are to be located in local BIA agencies, where appropriate, or within reasonable proximity if necessary. Trust officers are to be the primary contact for trust beneficiaries regarding information related to their trust assets.

◆ Trust officers' role is to be a key contact for trust beneficiaries and to work cooperatively with Superintendents by being the trust liaison for trust matters involving information about beneficiary's trust assets, status of account, obtaining required information for trust accounts, gathering information for use by the Agency in managing a beneficiary's natural resources, etc.

◆ Trust officers will work with the Agency to assist, as requested, in the development of fiduciary trust management plans, and will review and concur with the plans, when appropriate, to ensure fiduciary trust obligations are met within the plan.

◆ Trust officers will establish, implement, and maintain controls over trust cash assets. It is anticipated that these procedures and controls will be consistent from agency to agency and will be established in consultation with the DAST and Superintendent.

◆ Trust officers will serve as the local collections office for all trust funds, encoding transactions, monitoring the accounts receivables, and providing technical assistance on trust matters.

◆ Trust officers will receive reports from the Trust Program Management Center on performance measures. They will work with the DAST to

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[11] Some regional offices provide these services typically provided by agencies.

improve any weaknesses reported and revise business processes as appropriate.

◆ Trust officers will be primarily responsible for the appropriate creation, storage, and disposition of trust records and will work together with the DAST and Superintendent to ensure that policies, procedures and training are followed and made available to agency staff as necessary.

◆ Trust officers will ensure that appropriate documentation of all fiduciary trust transactions and internal controls are in place and followed.

◆ Trust officers will review and audit fiduciary trust asset management decisions and transactions that meet high-risk criteria. Trust officers will work collaboratively with the DAST in a contemporaneous manner to reach concurrence on such decisions and transactions.

4.6 ROLES AND RESPONSIBILITIES

Table D-1 in Appendix D identifies the roles and responsibilities for the core roles of the comprehensive trust management organizational design.

Table D-1. Roles and Responsibilities

Office of the Special Trustee for American Indians			
Office/Individual	**Role**	**Key Roles**	**Responsibility**
Special Trustee	Executes trust management role and focuses outside OST organization that includes the Secretary of the Interior, BIA directors, tribal task forces, and other stakeholders; mon~~~~ manages the ~~~~ Special T~~~~ managem~~~~ and Audit,~~~~ ~~~~airs, Director, B~~~~ ~~~~nance and Administration, and OST Chief Information Officer of OST	Monitor the external environment for perceived or ~~~~al ~~~~ the trust ~~~~ ~~~~ith all ~~~~ices on issues and status of CTM functions Maintain close relationship with Assistant Secretary - Indian Affairs	Inform the Secretary of the Interior of all developments, positive and negative, and how the function is operating Coordinate with BIA to provide or influence products and services on issues concerning the CTM function

See appendix.

4.7 SUMMARY

The organizational structure design provides the necessary elements for effectively accomplishing the comprehensive trust management mission, strategic direction, business plan, and service delivery model—with a focus on delivery of services to beneficiaries.

The organizational structure presented in this chapter is a natural extension of the strategic direction of Chapter 2 and the business profile of Chapter 3. It clearly delineates the organizational units that have the roles and responsibilities required to meet DOI's fiduciary trust obligations.

Chapter 5
Transformation Activities

5.1 INTRODUCTION

Chapters 2, 3, and 4 describe DOI's strategic direction, business objectives, service delivery model, organization realignment, and roles and responsibilities required to achieve a new level of performance and accountability in Indian trust management. This chapter describes the transformation activities required to achieve comprehensive trust management as defined in the previous chapters. This chapter is a shift from design to implementation of comprehensive trust management and represents the final step in this plan, as shown in Figure 5-1. Figure 5-2 shows the roadmap to and core components of this chapter.

Figure 5-1. Comprehensive Assessment and Planning Methodology
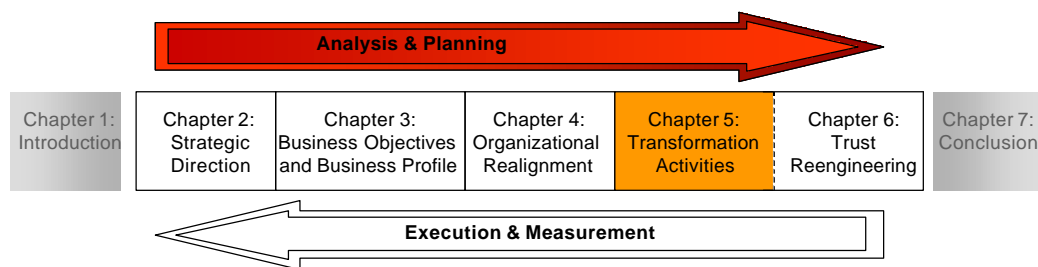
Figure 5-2. Roadmap to and Core Components of Chapter 5
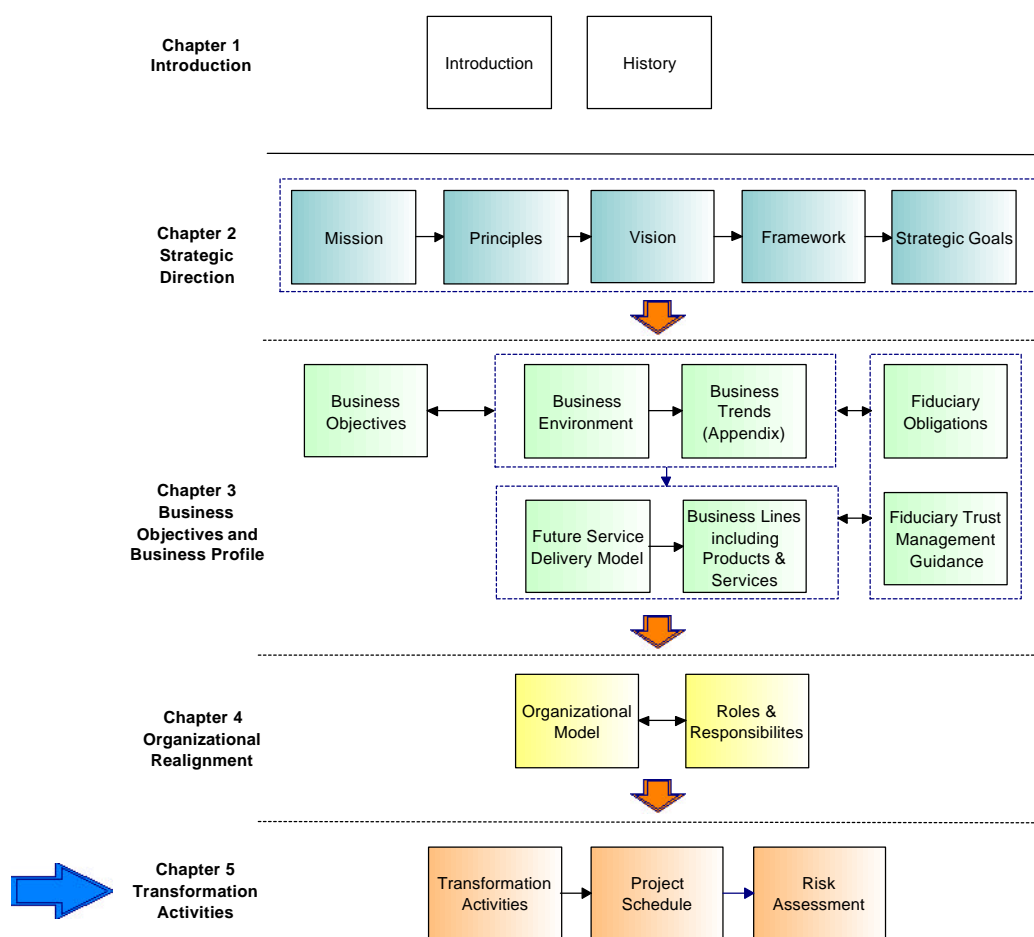
Beginning in January 2002, DOI set essential goals, assessed improvement progress, analyzed commercial best practices, continued initiatives to solve problems or implement improvements, and recommended a comprehensive assessment of trust management modernization. Section 5.2 describes the project components identified for inclusion in the ongoing comprehensive transformation effort.

5.2 PROJECT ACTIVITIES REQUIRED FOR A COMPREHENSIVE TRANSFORMATION EFFORT

This section addresses the overall activities, such as project management, organizational realignment, and change management, required for successful transformation. The individual implementation tasks fall under six major project components:

◆ Project planning and management

◆ Change/risk management

◆   Create vision and strategic plan

◆   Organizational development and realignment

◆   Trust reengineering

◆   Establish performance management program.

See Figure 5-3 for an illustration of these six transformation activities.

Figure 5-3. Transformation Activities

Project Planning & Management

| Establish Comprehensive Trust Mgmt. project team ✔ | Institute a DOI steering committee ✔ | Complete and maintain detailed integrated project plan | Identify and manage transformation resources and budget requirements | Institute status reporting and tracking systems for reform efforts | Monitor performance / success |

Change / Risk Management

| Engage stakeholder commitment and ownership of new vision | Conduct change and risk assessment | Develop and implement strategies to foster change | Develop and implement strategies to mitigate risks | Develop, execute, and track communication plan |

Organizational Development & Realignment

Create Vision & Strategic Plan

| Develop strategic direction ✔ | Determine business objectives/ environment ✔ |
| Design future service delivery model ✔ | Develop organization redesign ✔ | Identify strategic measures |

Vision →

Define CTM Roles

| Develop detailed organizational description ✔ | Conduct workforce planning for implementation |
| Define roles and responsibilities, including measures | Develop a detailed staffing plan |

Realign Organization

| Determine gaps between current funds and requirements | Determine current policies and constraints |
| Assess for policy impact and make appropriate changes | Implement new organization | Design and deliver required training |

Vision →

Workforce Planning Requirements
Training Requirements
Policy and Procedure Changes

Trust Reengineering

"As-Is" Trust Process Model ✔

- Probate Processes
- Title Services Processes
- Beneficiary Services Processes
- Appraisal Processes
- Surface Asset Processes
- Subsurface Asset Processes
- Accounting Management Processes
- Cadastral Survey Services Processes

"To-Be" Trust Process Model

- Design future detailed service delivery model
- Present vision and solicit feeback from beneficiriaires and Congress
- Design and reengineer processes, identify workforce, training, policy, and systems requirements
- Self-directed trust model processes
- Full-service trust model processes

System Require-ments

Supporting Processes

Information Systems Modernization

- Consolidate information systems requirements
- Develop an enterprise information systems architecture
- Identify all applications needed to fully support the new business model
- Integrate enterprise architecture design with application requirements
- Implement new architecture and applications

Establish Performance Management Plan

- Identify processes to measure
- Identify the metrics
- Establish metrics standards
- Align measures with service delivery standards
- Institute measurement and reporting processes
- Assess actual performance and take action

Additional transformation Initiatives ...

| KEY: | Completed ✔ | In-process | Late or @ Risk | Not yet started |

The following subsections describe the major components.

5.2.1 Project Planning and Management

Project planning and management is an ongoing process. Significant resources will be required over several fiscal years to succeed, especially in light of the envisioned organization, process, and information systems modernization. As with all such efforts, total requirements can easily exceed available resources. This group of activities involves establishing a more formal process and structure for identifying, requesting, and allocating resources across the project. Additionally, all trust transformation efforts need to be coordinated. The Office of Indian Trust Transition manages and provides oversight to transformation activities and planning.

Project planning and management activities include the following:

- ◆ Continue engagement of Comprehensive Trust Management (CTM) project team and DOI trust executive steering committee

- ◆ Complete and maintain a detailed integrated project plan

- ◆ Identify and manage transformation resources and budget requirements

- ◆ Institute status reporting and tracking systems for reform efforts

- ◆ Monitor performance/success.

5.2.2 Change/Risk Management

Transformation requires a sweeping culture change within DOI trust management functions to align the workforce with the new strategic direction and business profile. New processes and systems will fall short if the organization's culture does not support them. A top priority is to initiate a change management project that transitions organizational norms, beliefs, and values to fully support service delivery, performance, and accountability. Part of any transformation effort is to establish a sense of urgency because transformation requires the proactive cooperation of many stakeholders. This requires mitigating risk, actively fostering change, and tracking and managing a significant amount of communications.

These change management tasks will improve the alignment of the human element with the business practices to complete the modernization:

- ◆ Engage commitment and ownership of new vision

- ◆ Conduct detailed change and risk assessments

- ◆ Develop and implement strategies to foster change and mitigate risks

- ◆ Develop, execute, and track communication plan.

5.2.3 Create Vision and Strategic Plan

As previously mentioned, to fulfill its trust responsibilities effectively and efficiently, Interior must have an overall strategic plan to guide design and implementation of trust reform efforts. This strategic plan describes the vision, goals, and objectives of trust reform and operation of the trust program. It will be regularly evaluated and updated to ensure its responsiveness to the needs of Interior's trust operations. It will be a dynamic strategic plan will be adapted to changing environments.

5.2.4 Organizational Development and Realignment

This involves clearly defining detailed CTM roles and responsibilities, identifying clear lines of responsibility, performance, and accountability, mapping the interactions required among stakeholders, and supporting the process of realigning the organization.

The steps involved in organizational development and realignment are the following:

◆ Define Comprehensive Trust Management roles

➤ Develop a detailed organizational description

➤ Define roles and responsibilities, including new performance measures for new organization

➤ Conduct workforce planning for implementation

➤ Develop a detailed staffing plan

◆ Realign Organization

➤ Determine gaps between current funds and requirements

➤ Determine current policies and constraints

➤ Assess for policy impact and make appropriate changes

➤ Implement new organization

➤ Design and deliver required training.

This organizational development will expand upon current efforts. Upon recommendation of OST and BIA based on Joint DOI/Tribal Leaders Task Force input on December 4, 2002, the Secretary of the Interior approved a new organizational structure within current statutory constraints to provide trust services to the beneficiaries in a more accountable and efficient manner. The

appropriate Congressional committees approved reprogramming funds to support the new organizational structure on December 18, 2002.

5.2.5 Trust Reengineering

This activity requires an assessment of how DOI intends to perform its role as trustee and manage the three business lines of beneficiary service, financial accountability, and natural resource management. DOI then must develop efficient and standard business processes and supporting systems across all three trust business lines, incorporating best practices when possible. At the core of the reengineering efforts is beneficiary relationship management. Beneficiary relationship management is the process of establishing positive relationships with all beneficiaries, understanding comprehensive trust management servicing requirements, achieving effective communication between beneficiaries and the DOI government workforce, and quickly and efficiently tracking and resolving service delivery issues. These tasks will be integrated into the process and system reengineering efforts.

5.2.5.1 "As-Is" Trust Process Modeling

The first phase of the reengineering project was the "As-Is" Model effort that commenced in February 2002 and finished in February 2003. The "As-Is" Model establishes a comprehensive understanding of how trust operations are conducted currently. The final *"As-Is" Trust Business Model Report* will be issued during the first quarter of calendar year 2003. The report provides detailed documentation of the Indian trust's eight core processes:

- ◆ Probate

- ◆ Title Services

- ◆ Beneficiary Services

- ◆ Appraisal

- ◆ Surface Asset Management

- ◆ Subsurface Asset Management

- ◆ Accounting Management

- ◆ Cadastral Survey.

The report examines related industry standards and performance measures, documents the "As-Is" trust business model, and provides findings and recommendations.

5.2.5.2 "TO-BE" TRUST PROCESS MODELING

During the "To-Be" phase, DOI will take a fresh look at how the Indian trust should be designed and operated. DOI will go beyond incrementally revising the existing eight core trust processes and redefine the core processes and activities required to successfully perform trust management in the future. These activities will build on the high-level service delivery model presented in Chapter 3, and will integrate the specific functions of trust management into an effective, performance-based, detailed service delivery model. The service delivery model is a roadmap that displays the relationship between all the elements of comprehensive trust management service delivery. New process flows and interactions will then be designed with improved information technologies and best practices.

The change effort will be a DOI-wide transformation encompassing most aspects of the trust. The intent is to design and implement necessary changes to ensure that new strategic goals and business objectives are made possible.

5.2.5.3 INFORMATION SYSTEMS MODERNIZATION

DOI has identified the "As-Is" business, data, application, technology, and security architecture. A high-level blueprint has been developed to map trust business systems processes from existing procedures and information technology systems. The recommendations from the blueprint are currently being scheduled for review and action.

The enterprise architecture and management systems will enable the new business processes to function, to ensure data accuracy and storage capability, and to effect the necessary reporting and auditing. DOI will upgrade current systems and add new ones to meet the future needs of CTM. Modern and appropriate records and information systems are required to support the core business processes. From the business process reengineering and standardization, existing systems can be expanded and new systems introduced that enable faster and more accurate processing, provide data and reports simultaneously to multiple users across the nation, and make accurate record keeping an attainable goal.

The trust reengineering activity is further described in Chapter 6.

5.2.6 Establish Performance Management Program

Improved performance can only be achieved through the design, implementation, and continued use of a performance management program. These activities include setting performance standards, measuring performance, and improving processes when standards are not met.

5.3 PROJECT SCHEDULE

The project schedule appearing in Figure 5-4 incorporates the components required for successful transformation. This sample project schedule illustrates major milestones and will expand as the project unfolds in greater detail and specific initiatives are developed. It is an active management tool that will be routinely updated, tracked, and reported. The schedule is part of a dynamic plan that will evolve and change in the future, and is constructed to support the complex nature of the CTM project.

Figure 5-4. Comprehensive Trust Management Project Schedule

ID	Task Name	Status
1	**Expand Project Planning and Management**	
2	Establish Comprehensive Trust Management project team	Completed
3	Institute a DOI Steering Committee	Completed
4	Complete and maintain detailed integrated project plan	On-going
5	Identify and manage transformation resources and budget requirements	On-going
6	Institute status reporting and tracking systems for reform efforts	On-going
7	Monitor performance /success	On-going
8	**Change Organizational Culture**	
9	Engage commitment and ownership of new vision	In-process
10	Conduct detailed change and risk assessments	
11	Develop and implement strategies to foster change and mitigate risks	
12	Develop, execute, track communication plan	
13	**Create Vision and Strategic Plan**	
14	Develop strategic direction	Completed
15	Determine business objectives and assess business environment	Completed
16	Develop future service delivery model	In-process
17	Develop organizational redesign to support new service delivery model	Completed
18	Identify strategic performance measures to monitor achievement of strategic goals	In-process
19	**Organizational Development**	
20	Define Comprehensive Trust Management roles	
21	Develop a detailed organizational description	In-process
22	Define roles and responsibilities including new performance measures for new organization	In-process
23	Conduct workforce planning for implementation	
24	Develop a detailed staffing plan	
25	Realign Organization	
26	Determine gaps between current funds and requirements	
27	Determine current policies and constraints	
28	Assess for policy impact and make appropriate changes	
29	Implement new organization	
30	Design and deliver required training	
31	**Trust Reengineering**	
32	Assess and document "As-Is" processes	Completed
33	Define "To-Be" processes	
34	Design future detailed service delivery model	
35	Present vision and solicit feedback from stakeholders	
36	Design and reengineer processes and identify workforce, training, policy, and systems requirements	
37	Modernize/Implement information systems	In-progress
38	Consolidate information systems requirements	
39	Develop an enterprise information systems architecture	
40	Identify all applications needed to fully support the new business model	
41	Integrate enterprise architecture design with application requirements	
42	Implement new architecture and applications	
43	**Establish Performance Management Program**	
44	Identify processes to measure	
45	Identify the metrics	
46	Establish metrics standards	
47	Align measures with service delivery standards	
48	Institute measurement and reporting processes	
49	Assess actual performance and take action	

5.4 RISK MANAGEMENT

Risks are always present in a modernization effort of this scale and significance. Because risk management has been an integral part of the overall effort from the beginning, DOI identified major risks, assessed the potential impact, and developed initial mitigation strategies for the expansion activities of phase two.

Identifying risks in an integrated manner can be a complex process. The approach used at this point is to assess the strategic framework for potential risks and severity of impact. In this plan, DOI rated each risk—high, medium, or low—for its potential impact and the likelihood that it will occur. Although initial mitigation strategies are proposed, this high-level assessment of risk cannot replace detailed risk management. The project plan contains procedures for establishing an ongoing risk management program.

Eight major risks are associated with the CTM modernization project. Each involves a critical part of the project, and not mitigating these risks could prevent project success. Table 5-1 displays the results of the risk assessment. The sequence number shows the order in which these risks are likely to occur.

Table 5-1. Risk Assessment

Sequence	Risk	Potential impact	Likelihood	Mitigation strategy	Project action
1	The strategic and business directions for CTM lack sufficient definition and clarity to create the understanding and acceptance of the modernization project.	Medium. Modernization efforts can continue, but progress will be more difficult and real change will be limited.	Low	Provide as much information and detail as possible in the initial modernization plan and then develop a means for updating, expanding, and communicating information as the project unfolds.	Establish a dedicated project planning and management team for the entire modernization effort (several transition elements in place already).
2	Beneficiaries do not accept the DOI modernization plan.	High. Will severely limit the ability to transition to a performance-based, accountable partnership.	High	Organize a consultation effort to give beneficiaries voice and make them a partner in the modernization effort.	Secure support for the CTM plan and begin developing and managing the desired long-term partnership.
3	Various major stakeholders disagree on the CTM mission and implied boundaries.	High. If the major stakeholders cannot agree on what CTM is and what it isn't, then service and performance expectations will always be misaligned and dissatisfaction always prevalent.	Medium	Develop a complete library of mission-defining information and then, through the proper venue, initiate a process for sharing all information and reaching agreement on the CTM mission.	Initiate a proactive BRM program for the entire effort to develop support, accentuate the positive changes, and mitigate risk.

Table 5-1. Risk Assessment (Continued)

Sequence	Risk	Potential impact	Likelihood	Mitigation strategy	Project action
4	Sufficient resources are not available to complete the modernization effort.	High. Without sufficient resources, implementation actions will not be completed and progress will be limited.	High	Ensure that Congress is fully aware of DOI's needs and prioritize funding requests based on the highest needs.	Develop a resource requirements and allocation plan for the entire effort and integrate into the Department's overall budget process as early as possible.
5	Organizational revisions do not effectively align with the service delivery model or support achievement of the business objectives, limiting the degree to which service delivery can be improved.	Medium. Service delivery can be improved, even if the organization is not effectively aligned, but the degree of improvement will be limited.	Low	Directly link the service delivery model and the new organization and validate through use of clearly understood organizational principles.	Begin organizational realignment with the development of an organizational description that clearly defines roles, responsibilities, staff requirements, and workflow. Begin to align existing or new organizational elements with the service delivery model as soon as practical.
6	Reengineering efforts do not generate the degree of improvement nor integration needed.	Medium. Ability to improve service will be limited by the degree of innovation and standardization incorporated in the reengineering.	Medium	Derive clear concepts and principles from the modernization plan that guide the reengineering effort and create traceable linkages to the service delivery model. Link processes to measures and assess the capability of the processes to meet planned efficiency.	Using the service delivery model, conduct detailed business process improvement initiatives for all applicable business processes.
7	Information systems do not support the process improvements or the data and record accuracy needed.	High. Improvement in data and record accuracy is a core requirement for the modernization of CTM. Less effective systems will have major negative impacts on performance, accountability, and efficiency.	Medium	Conduct a detailed functional requirements and integration analysis, on the basis of reengineered processes, to ensure optimum support for the "To-Be" environment. Develop performance and accuracy standards to apply to new system procurement.	Based on the results of the business process improvement efforts, complete information systems modernization that effectively aligns information systems with the business processes and meet performance and accuracy requirements.
8	Desired BIA cultural shift does not occur, hampering efforts to complete the modernization.	High. If corporate culture does not realign with the new strategic direction, then service will continue to be delivered as it is today, under the guise of new processes and systems.	Medium	Initiate a change management program to define the need for change, develop a comprehensive change management plan, and effectively execute the plan.	Initiate a formal change management program to expand and continue the cultural shift to an integrated, performance-based, and accountable business culture.

The project actions shown in Table 5-1 are incorporated in the project schedule and influence sequencing and timing. By doing so, potential setbacks or negative impacts can either be averted or minimized.

Chapter 6
Trust Reengineering

6.1 INTRODUCTION

Chapter 5 described the six major components of trust transformation. One of those six components was Trust Reengineering. This chapter further describes that activity, as shown in Figure 6-1. Figure 6-2 shows the roadmap to and core component of this chapter.

Figure 6-1. Comprehensive Assessment and Planning Methodology
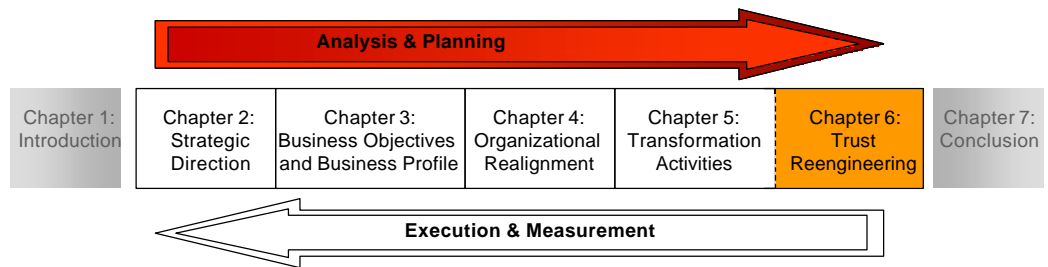
Figure 6-2. Roadmap to and Core Components of Chapter 6
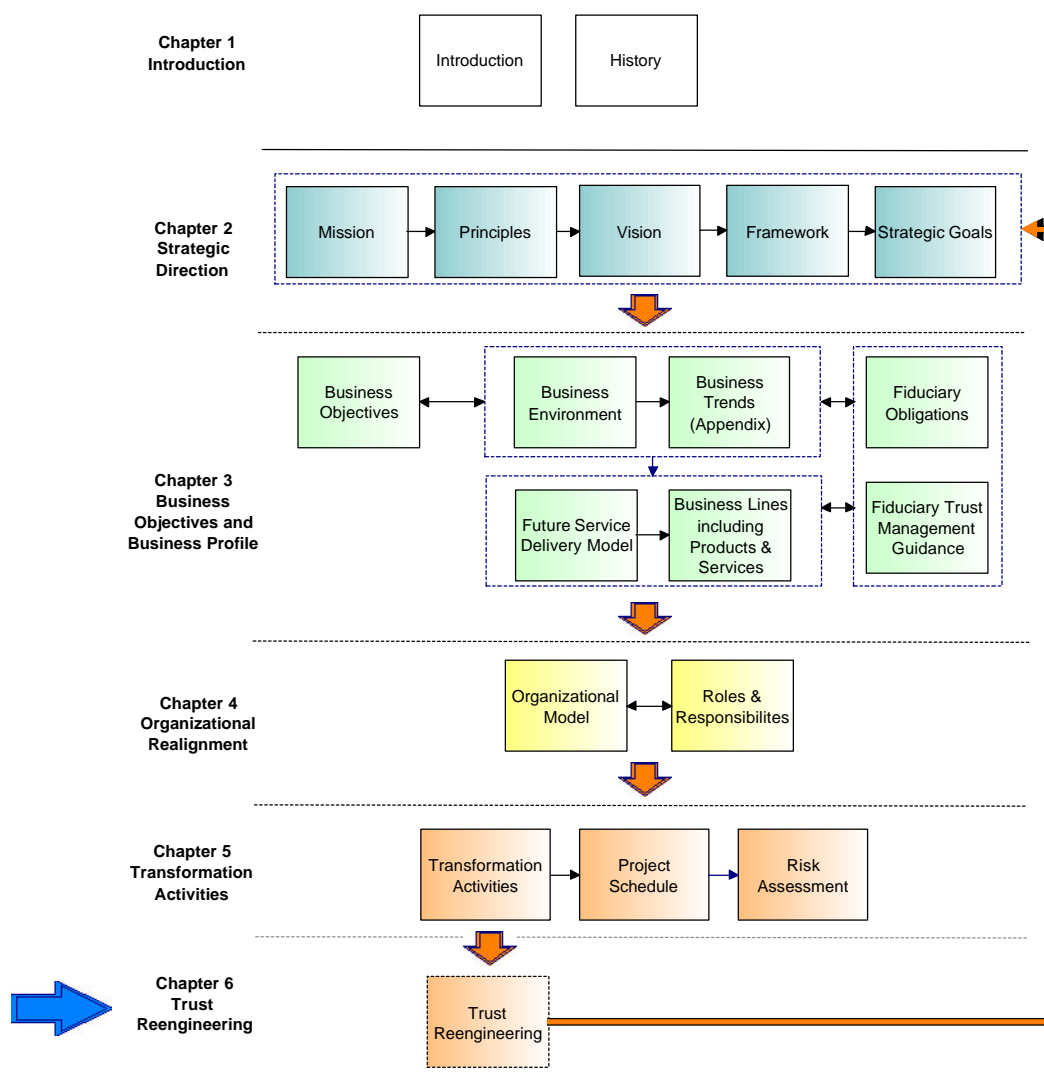
The strategic direction and business objectives described in Chapters 1 and 2 and the reorganization plan for the Indian Trust become major inputs to the reengineering effort's second phase–the To-Be Model. Broadly, the reengineering project has been organized into two major phases:

◆ The As-Is Model—documents the current processes, obligations (laws regulations, treaties, etc.), controls, inputs, outputs, mechanisms, organizations, and roles.

◆ The To-Be Model—includes creating management structures and building blocks, managing change, developing a project management office, and designing the To-Be model. The model will incorporate the three business lines: beneficiary services, financial accountability, land and natural resource management.

Once the To-Be Model has been designed, parts of it will be piloted and then a final design will be implemented. The concepts and activities required for this section are described in greater detail in the EDS *As-Is Trust Business Model Report*.

6.2 THE AS-IS MODEL

The first phase of the reengineering project was the As-Is model effort that commenced in February 2002 and finished in February 2003. The As-Is model establishes a comprehensive understanding of how trust operations are conducted currently. The As-Is model effort started with the development of a project plan and selection of data collection tools. A week-long workshop that included over 60 DOI and Tribal representatives was then held to develop a baseline of eight core Trust processes. An As-Is Business Model Team consisting of over 20 EDS consultants, DOI process sponsors and Joint DOI/Tribal Leaders Task Force members was formed. This team held 10 multi-day work sessions at field locations with BIA regions, a session with the compact and contract Tribes, and a session with the OST/Office of Trust Funds Management (OTFM). Through these sessions, more than 1000 subject matter experts from the Land Trust Records Offices, Tribes, BIA Agencies, BLM, MMS, OHA, and OST were consulted. For each of the eight core trust processes examined, a baseline model documenting the standard manner in which each process is performed was developed. Regional variations from the standard baseline processes also were documented.

As stated in subsection 5.2.5.1, the Final "*As-Is Trust Business Model*" report will be issued in March 2003. The report provides detailed documentation of the Indian trust's eight core processes:

- ◆ Probate

- ◆ Title Services

- ◆ Beneficiary Services

- ◆ Appraisal

- ◆ Surface Asset Management

- ◆ Subsurface Asset Management

- ◆ Accounting Management

- ◆ Cadastral Survey.

The report examines related industry standards and performance measures, documents the As-Is trust business model, and provides findings and recommendations.

6.3 THE TO-BE MODEL

The To-Be model is the new integrated transformational design for trust management within DOI. The To-Be model will not only encompass reengineering and designing new Trust business processes; it will also include coordinated improvements and requirements in supporting systems, organizations, training, and personnel requirements, combined with an internal and external communication plan.

The To-Be phase allows the Department to take a fresh look at how the Indian trust will be designed and operated. The Department will go beyond incrementally revising the existing eight core trust processes. It will redefine its core processes consistent with the service delivery model shown in Figure 3-7, and then develop new process flows and interactions that will be conducted with (improved) inter-related areas. For example, redefined surface and sub-surface realty business processes will be combined with new information technologies and tailored training to deliver significantly enhanced services.

The remainder of this chapter describes the major components of the To-Be model:

◆ Creating management structures and building blocks

◆ Managing change

◆ Creating the Trust Program Management Center

◆ Designing and implementing the To-Be model.

The management structure requirements, change management requirements, and design and implementation support requirements will be inputs to the overall transformation program efforts.

6.3.1 Creating Management Structures and Building Blocks

In the planning and early development of the To-Be model, the Department emphasized and communicated the urgency of change; built a high quality team with the right participants, skills and knowledge; and ensured senior management and tribal involvement. It will be important to establish a solid framework so the teams can operate efficiently and have an appropriate mechanism in place for co-ordinating the To-Be phase with other trust-related initiatives. The activities illustrated in Figure 6-3 will begin immediately following the completion of the As-Is phase.

Figure 6-3. Getting Started on the "To-Be" Model

Establish the Case for Action
- Trust Strategy
- Key findings/issues from Trust and As-Is assessments
- Outputs of court cases
- Beneficiary input
- 1994 Trust Reform Act

Creating a sense of urgency is critical to the success of any large-scale change effort

Building the Team – who?
- Executive sponsors
- Steering committee
- Project director
- Subproject sponsors
- Team members:
  - DOI
  - Tribal and IIM representatives
  - Consulting support

Involving all levels of the organization will help to uncover implementation issues early, as well as minimize resistance

Building the Team – what skills?
- DOI strategy
- DOI process expertise
- DOI technology expertise
- DOI organization expertise
- Facilitation skills
- Project management skills
- Change management & communication skills
- Knowledge of As-Is
- To-Be development experience
- Process, people & technology analytical skills

Building the right team, with "best and brightest" team members is also critical to any large-scale change project

6.3.2 Managing Change

Many business process reengineering and technology implementation projects fail to achieve their stated goals due to a failure to address the human aspect of organizational change. Top performing organizations recognize that change must be comprehensive and integrated, and must focus on the people-related issues associated with managing the change program, mobilizing leadership, and creating the case for change.

6.3.3 Creating the Trust Program Management Center

Development of the To-Be model will be an exciting, yet complex undertaking for the Department. It will require significant coordination, collaboration, and communication among many participants, tribal representatives, process areas, subject matter experts, leaders, and sponsors. Effective project planning and management will be critical to achieve the desired outcomes of this phase. Past organizational issues and the decentralized nature of efforts to improve have hindered meaningful, widespread progress.

A critical element for managing the complex changes is the Trust Program Management Center, with its associated personnel capabilities and technology tools that can highlight dependencies and linkages among many different initiatives. This office reports to the Deputy Special Trustee for Trust Accountability.

6.3.4 Designing and Implementing the To-Be Model

Designing the To-Be will be the most innovative and creative part of the transformation, while implementation may pose some of the greatest challenges. The diagram below illustrates some of the key steps and activities that will be involved in the design and implementation process.

Figure 6-4. Designing and Implementing the "To-Be" Model
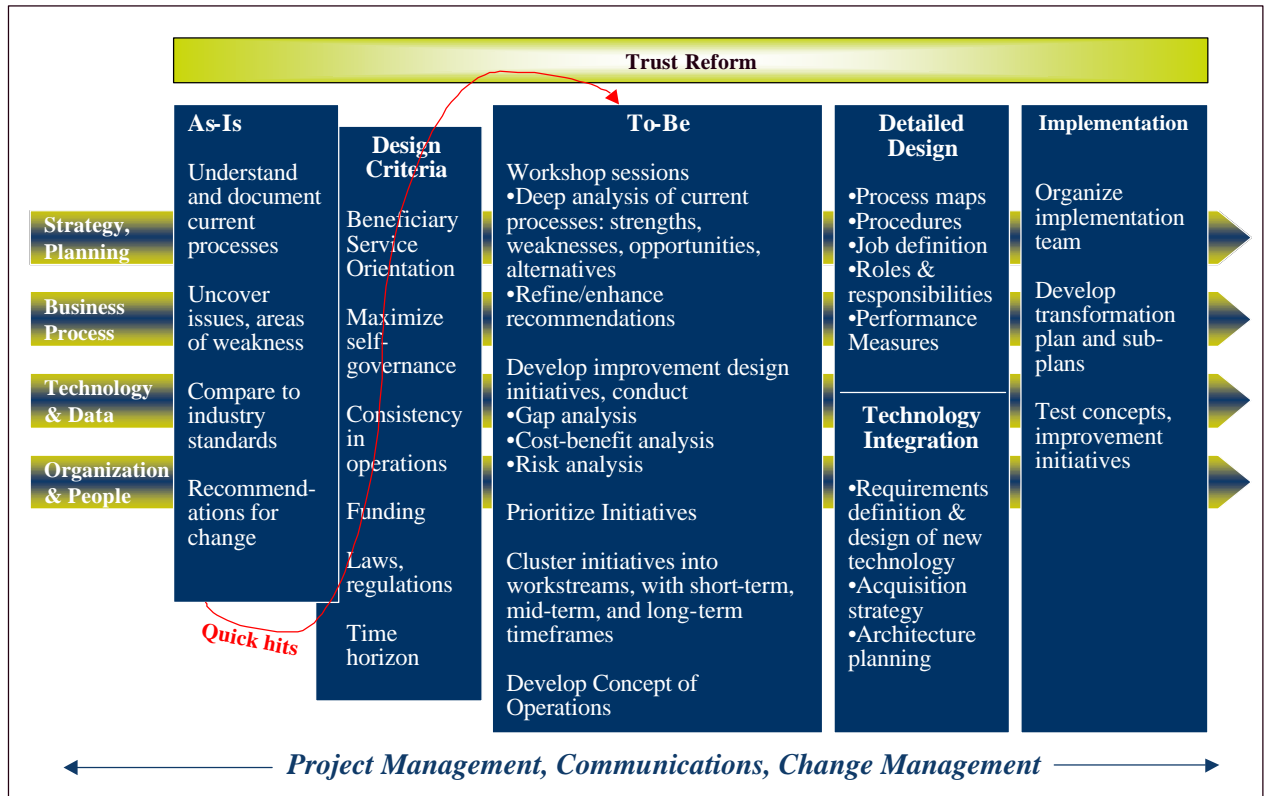
6.3.4.1 TO-BE DEVELOPMENT

Major activities during the development of the To-Be model will include the following:

◆ *A series of workshop sessions*. Facilitated workshop sessions are often the best way to brainstorm solutions and maximize the diverse knowledge and skills of participants. Typically, sessions begin with a large group meeting, breaking up into smaller action teams as the session progresses, and ending with more large group sessions. During the workshops, strengths, weaknesses, and initial recommendations for change will be reviewed, with discussions around the feasibility and effectiveness of the recommendations. Alternative and/or additional recommendations also will be developed. The goals of the workshop sessions will include the following: redefinition of core Trust processes consistent with the service delivery

model, at sufficient level of detail to clearly show how business will be conducted; establishment of a high-level trust business process model; and development of high-level performance measures. The results of the work-shop sessions will be recommendations that all agree upon and corresponding high-level action plans.

◆ *Analysis of improvement initiatives/recommendations*. Either during or following the sessions, more-detailed analysis of the recommendations will be necessary. This will involve a much broader audience. The level of analysis required may vary from one recommendation to the next; however, a gap analysis will be conducted for all recommendations to gain an understanding of the magnitude of change necessary for implementation. Also, especially for recommendations requiring larger investments, an analysis of the costs and benefits of the recommendation may be warranted. Finally, appropriate consideration will be given to the implementation risks.

◆ *Prioritization of initiatives*. As in any organization undergoing large-scale change, time constraints, funding, resources, and threshold for change will limit the number of initiatives that can be implemented during a fiscal year. It will be important to prioritize the initiatives to ensure that the right initiatives are implemented at the right time. In determining priorities, the Department will want to consider the importance of the initiative, the expected impact of the initiative, the ease of implementation, the impact on the Indian trust beneficiaries, and finally, the gap between the current and future state.

◆ *Clustering of initiatives into work streams*. In order to plan the implementation, recommendations will be grouped together into work streams. This simplifies implementation and allows work stream sponsors, managers, and team members to be designated. In order to affect the large change effort, the Trust Policy Management Center has been put into place and together with the Trust Accountability Office will manage and track progress of the work streams, funding requirements and expenditures, ensure adequate staffing, and communicate work stream activities and success.

◆ *Development of a Concept of Operations (CONOPS)*. During the To-Be efforts, a CONOPS will be developed and approved prior to implementation planning. The purpose of the CONOPS is to define and discuss at a high level the concepts that will make up the To-Be model. The CONOPS incorporates the Design Criteria, and identifies gaps between the As-Is model and future goals. In addition, the CONOPS typically details specific initiatives critical to removing process deficiencies and improving existing strengths, such as concepts to improve business processes, speed, productivity, and beneficiary satisfaction. The CONOPS will provide guidance to staff, functional managers, systems administrators, senior management,

and tribal representatives to assist them in understanding the basis of the To-Be model.

◆ ***Review of Universal Support Functions.*** As part of the To-Be, the universal support functions (risk assessment, automated system requirements, records, internal controls/fiduciary security, policies and procedures, workforce planning, training, and define future system user technical assistance center requirements) will be reviewed to determine the support requirements that will be needed in order to implement the To-Be efforts.

6.3.4.2 DETAILED DESIGN AND TECHNOLOGY INTEGRATION

After clustering the change initiatives into work streams and approving the CONOPS, more detailed design activities will take place. This will include development of

◆ detailed process maps and diagrams, to include interface requirements;

◆ revised or new policies and procedures;

◆ revised or new roles and responsibilities;

◆ a training plan for new training requirements; and

◆ performance measures for the new processes.

The above design activities will facilitate the implementation of a trust management dashboard, in phases, allowing access to the appropriate performance measures data.

Additionally, the data and technology requirements will need to be identified. This will include:

◆ requirements definition and design of any new systems or technologies,

◆ acquisition strategies for new software and/or systems,

◆ architecture planning to support the To-Be environment,

◆ security requirements, and

◆ system interface requirements.

6.3.4.3 IMPLEMENTATION

Implementation of the To-Be model will not be a simple task and will take place over a number of years. Implementation will require multiple efforts and phases, spanning many DOI organizational entities. Planning for the implementation will begin early, around the time the CONOPS is approved. Before the Detailed

Design and Technology Integration steps above have been completed, an implementation team will be identified and organized. Team members and other involved parties responsible for developing the To-Be model will be part of the implementation team. A project manager will be designated to run the implementation, with many subproject managers responsible for individual work streams. Active and visible participation of the executive sponsors will continue. Detailed transformation plans also will be developed and communicated prior to the implementation phase. As part of the beginning steps of implementation, it will be prudent to test the concepts on a small segment of DOI before beginning a nationwide deployment. Finally, measures will be put into place that will help to monitor the success of implementation.

Chapter 7
Conclusion

DOI is committed to fulfilling its trust responsibilities to American Indians and Alaska Natives effectively, efficiently, and with excellent service to beneficiaries. The completed *Comprehensive Trust Management Plan* encapsulates the results of a detailed analysis and planning effort that not only sets a new strategic direction for trust management, but also provides the critical service delivery and organizational details and implementation activities needed to make it a reality. This analysis and planning is the first step in phase two toward integrated, performance-based, and accountable service delivery. It reflects DOI's commitment to modernization of trust management, as shown in Figure 7-1.

Figure 7-1. Comprehensive Assessment and Planning Methodology
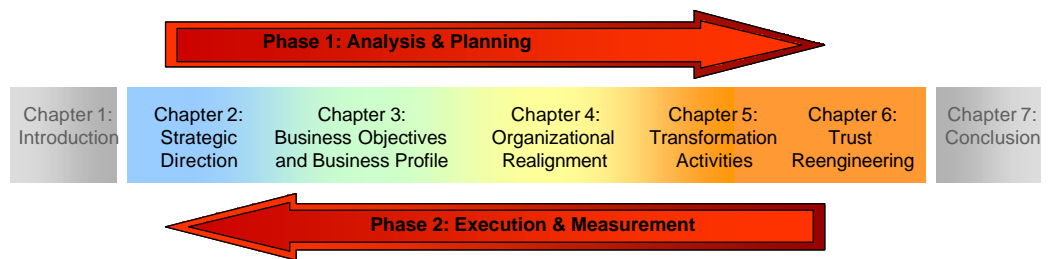
By examining the entire organization and its service delivery model, DOI is building the framework for modernization and initiating a business culture change. While much remains to be done in the long term, this plan is a major milestone toward achieving a performance-based, accountable trust management system because it establishes a strategic framework (Figure 7-2) and strategic direction to guide the design and implementation of trust reform efforts.

Figure 7-2. Comprehensive Trust Management Strategic Framework
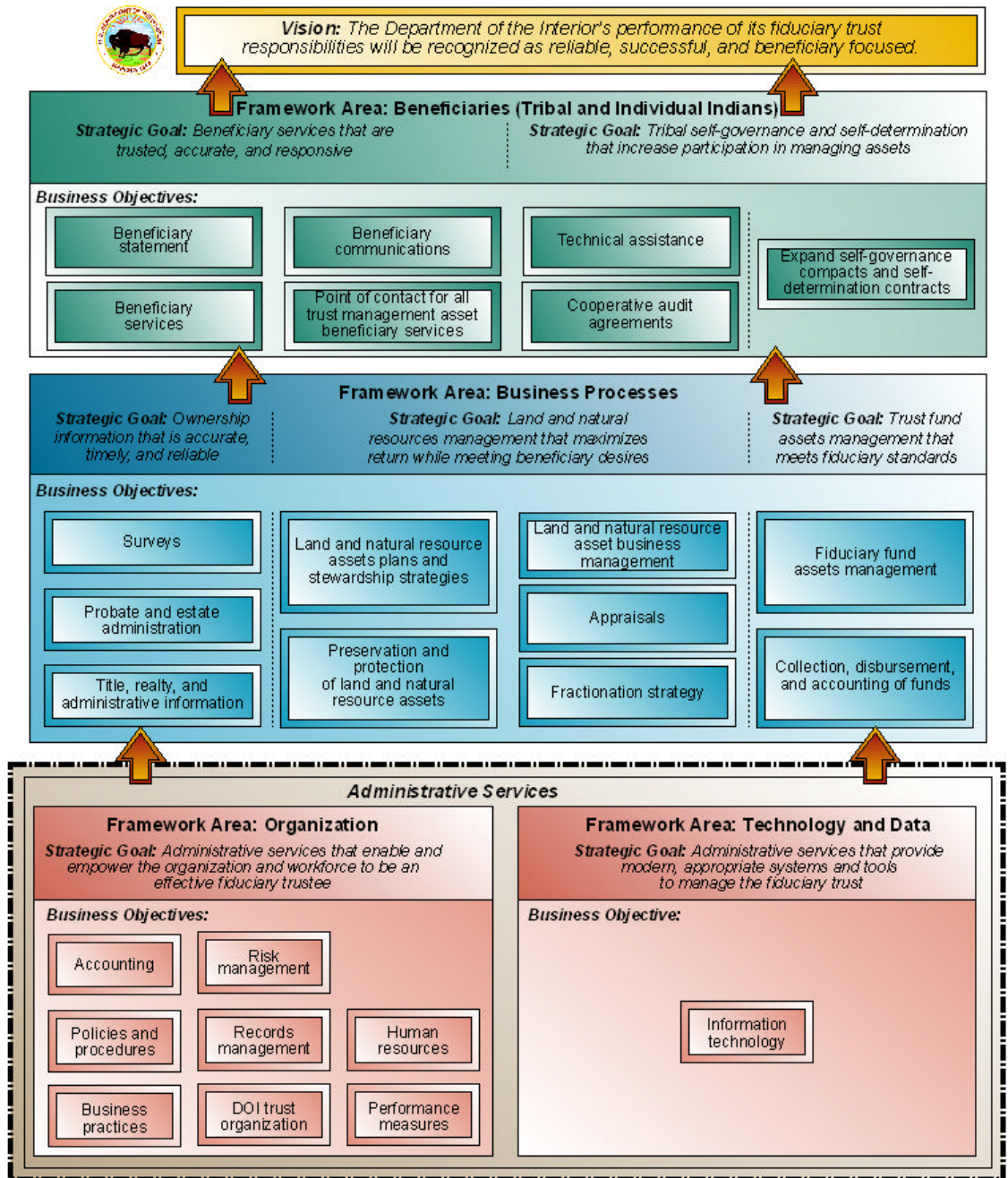
7.1 PROPOSED DATE FOR TERMINATION OF THE OFFICE OF THE SPECIAL TRUSTEE

Title 25 USC Sec. 4043(a)(2)(C) provides that the plan shall include the following: "a timetable for implementing the reforms identified in the plan, including a date for the proposed termination of the Office."

This plan is a dynamic plan which will not be completed until the trust process reengineering project is completed which is expected to occur in approximately 14 months from the date of the plan. Following the completion of the process reengineering, the reengineered processes will take effect and the applicable technology, policies and procedures, guidelines and handbooks will be developed. At that time it may become reasonable to forecast a date for the termination of the Office of the Special Trustee. The plan will be examined at that time for such purpose and a determination made as to whether a date can be reasonably estimated.

Appendix A
Background

The following information is provided as background so that the plan can be placed in the proper context of what is long history of trust reform and modernization.

TRUST MODERNIZATION CHALLENGES

Major challenges to trust modernization must be addressed. Many of these challenges will not disappear for years, if at all, but the Department must make plans at least to mitigate them early in the effort. The following subsections describe seven major challenges the Department faces.

Challenge 1: Fractionation

Fractionation is the division of an original ownership interest into smaller, more fractionated interests when each interest is further divided as a result of inheritance. These smaller interests are growing at an exponential rate.

The fractionation of the land ownership results in individuals having accounts with extremely low values and high management costs. For example, about 18,000 individual Indian account holders have almost no income and balances of $1 or less. The fractionated ownership of the underlying land or natural resource assets—in which hundreds or thousands of individuals each own less than 2 percent of the asset—causes the beneficiaries of these accounts to receive very small amounts of income.

Challenge 2: Stakeholders and Complexity

SIGNIFICANT NUMBER OF STAKEHOLDERS

Indian trust management has a significantly higher number of stakeholders than private-sector trust management, which increases its complexity. Indian trust management stakeholders include the following:

- ◆ Tribes

  - ➤ Self-governance tribes

  - ➤ Direct-service tribes

  - ➤ Treaty tribes

- ◆ Individual Indians

  - ➤ Account holders

  - ➤ Non-account holders

- ◆ Individual Indian associations and interest groups

- ◆ Tribal Indian associations and interest groups

- ◆ Congress

- ◆ States

- ◆ Counties

- ◆ Cities

- ◆ Taxpayers

- ◆ Custodians

- ◆ Department of the Treasury

- ◆ Lessees

- ◆ Department of the Interior

  - ➤ Office of the Secretary

  - ➤ Office of the Special Trustee for American Indians (OST)

  - ➤ Bureau of Indian Affairs (BIA)

  - ➤ Minerals Management Service (MMS)

  - ➤ Bureau of Land Management (BLM)

  - ➤ Office of Hearings and Appeals (OHA).

COMPLEXITY OF INDIAN TRUST MANAGEMENT

Many factors increase the complexity of Indian trust management:

- ◆ Many federal agencies are involved directly and or indirectly in asset management, unlike the private sector, which has a single focal point.

◆ The Indian trust manages thousands of accounts with very small income and minimal balances; the private sector typically handles much larger accounts.

◆ The Indian trust has land and natural resources as the primary asset; the majority of private-sector trusts generally manage financial assets.

◆ Regional, nonstandard business processes make integration of information systems and other processes extraordinarily difficult and render information sharing and consistency nearly impossible.

◆ Fractionation, an accumulation of cases pending probate, an array of unmet expectations, and an intricate, complicated business environment hinder service delivery.

◆ Lack of a trust agreement/document.

◆ Perpetual trust without an effective opportunity for a relationship with the next generation of beneficiaries.

◆ Complicated congressional direction from hundreds of statutes.

◆ Unclear relationship between statutory trust and common law requirements.

◆ Lack of normal parameters associated with cost benefit paradigm.

Challenge 3: Misaligned Expectations

Regional focus and long-term relationships with beneficiaries have led to variations in business processes, service delivery, and employee attitudes. As a result, many participants on both sides of the service delivery model have expectations for Indian trust management that, for various reasons, are challenging, diverse, and in some instances unreachable.

Interpretations of Indian trust management requirements abound, and opinions diverge on a desirable future direction. Due to its complexity, beneficiaries often have difficulty understanding the specifics of trust management, and their expectations for service delivery vary—sometimes exceeding the Indian trust mandate or capability. Congress, the courts, and other stakeholders also have conflicting concepts of the responsibilities and operations of trust management. For example, Congress wants a state-of-the-art trust system but is not always willing to fund such an expansive effort. Others suggest that a commercial entity could manage DOI Indian trust assets, yet no commercial trust entity has been identified that would be willing to manage thousands of accounts that maintain less than a dollar.

Challenge 4: Distributed Management

In the 1800s, the management of Indian trust assets began with frontier representatives and has since been characterized by regional independence and management. This distributed management structure has major drawbacks in today's environment. DOI is required to deliver equitable service for all customers nationwide and to manage and account for assets, revenues, investment, and disbursements. Variations in regional management and the processes—including outdated, paper-driven methods—thwart these expectations and pose challenges to modernization efforts.

Challenge 5: Organizational Alignment

The current trust management structure mixes roles and responsibilities among individual organizational elements. The future organization must realign to implement a new service delivery model. Specifically, BIA and OST must have clear roles as to trust responsibilities so responsible parties can be held accountable.

Challenge 6: Resources

Private-sector trusts generate the funds to pay for the cost of their management. The growth of such private-sector trusts depends on how well the trust is managed. Many of the individual trusts under the Indian trust management umbrella cost much more to manage than they generate in revenue. Congress provides DOI with the money for trust management, and the beneficiaries receive all the revenue earned, regardless of the cost of management. Therefore, unlike a typical private-sector trust, several other factors influence resource allocation, including other national priorities and requirements. Management effectiveness is directly tied to the funding received through the congressional budget process. DOI must manage these funds efficiently, but must also accurately portray requirements and potential consequences when funding needs cannot be met.

Challenge 7: Organizational Culture

Although new processes, systems, and organization can improve many aspects of trust management, the DOI organizational culture must also change. After the new service delivery model, products, and services are clearly defined, DOI has to embrace the need for effective service and necessary changes. Every employee needs to understand the importance and unique aspects of comprehensive trust management, and management should use a performance-based, accountable approach to ensure that employees meet their responsibilities.

FUTURE ENVIRONMENT

Two principles are key to comprehensive modernization plans—performance and accountability:

◆ *Performance*. Organization, business processes, information systems, and special actions influence performance and must change during the transition to a performance-based operation. Measuring the performance of these elements in the service delivery model will indicate progress toward improvement. Likewise, performance metrics will reveal elements that limit performance.

◆ *Accountability*. DOI is committed to modernizing trust management. All entities influencing performance must be accountable for their effect on service delivery, the beneficiaries, and other major stakeholders.

DOI must continue clearly to define trust managers' roles and responsibilities in fiduciary trust management and then aggressively develop the processes, systems, people, and business culture needed to fulfill them. The Department must align the service delivery model with stakeholders' expectations and establish clear performance measures for all operational aspects. Using these performance measures, DOI can track progress and performance and assess stakeholders' support of the transition to the new business environment.

Appendix B
Business Trends

DOI analyzed the business environment defined in Chapter 3 to help identify some of the business trends as they relate to various stakeholders. In most cases, the stakeholders shape these trends. For example, increased dissatisfaction with trust services—on the part of Individual Indians, tribes, and Congress—is a well-documented trend. External forces shape other trends, such as fractionation, a function of generational succession over time, and the standardization of processes and modernization of systems, the result of work process changes and technological progress in the national and global economies. The trends most affecting DOI trust management are as follows:

- ◆ Continued dissatisfaction with services

- ◆ Continued fractionation

- ◆ Standardization of processes and modernization of systems

- ◆ Increased beneficiary focus

- ◆ Increasing self-governance and self-determination.

SUMMARY OF TRENDS

Continued Dissatisfaction with Services

Individual Indians, tribes, and Congress have for some time expressed dissatisfaction with the trust management services provided by DOI. This dissatisfaction has led to increased interest in Indian affairs by all parties, which in turn has resulted in greater oversight, litigation, and DOI reform efforts.

Continued Fractionation

Fractionation is the division of an original allotment ownership interest into smaller more fractionated interests as each interest is further divided as a result of inheritance. These smaller interests are growing at an exponential rate. As this process repeated itself, sheer numbers excessively complicated the existing manual and automated processes of tracking, paying, and auditing these accounts.

Transition from Autonomous Processes to Standardized Processes and Modernization of Systems

Over the history of DOI trust management, local and regional locations have autonomously developed processes and systems. To increase efficiency and effectiveness, DOI is standardizing processes and modernizing systems to meet accounting, customer, and operational requirements.

Increased Beneficiary Services

In today's business environment, the overarching business trend is a paradigm shift from managing Indian trust accounts to providing trustee services and representation for individual Indians and Indian tribes.

Increasing Self-Determination and Self-Governance

DOI has promoted and supported self-determination and self-governance to enable tribes to manage their lands, natural resources located on their reservations, and trust funds. This has resulted in a large number of tribes engaged in managing their own trust assets.

BUSINESS TRENDS AND STAKEHOLDERS

For each core stakeholder in the business environment model, DOI identified associated business trends that need to be considered and addressed within the comprehensive trust management plan (Table B-1).

Table B-1. Business Trends by Stakeholders

Stakeholders	Business trend
Beneficiary tribes	Increased self-sufficiency and self-determination in management of trust activities. Adoption of self-sufficiency and self-governance. Continued dissatisfaction with services. Conflict of interest between the beneficiary tribes and individuals.
Individual beneficiaries	Increased fractionation; exponentially increasing numbers of individual asset interest owners. Increased beneficiary expectations in quality and delivery of trustee services.
Congress	Increased interest in management of Indian trust activities.
Custodians	Increased use of custodians.
Department of the Treasury	Increased involvement.
Lessees	Increased frustration in finalizing lease agreements.
Office of the Secretary	Increased emphasis and involvement of DOI bureaus and offices to fulfill fiduciary obligations. Transition toward beneficiary-focused and business-oriented operations.

Table B-1. Business Trends by Stakeholders (Continued)

Stakeholders	Business trend
Office of the Solicitor	Increased expectation of responsiveness, involvement, and fiduciary trust expertise.
BIA	Separation of fiduciary trust asset management functions from other bureau services. Increased focus on improving beneficiary services. Transition toward beneficiary-focused and business-oriented operations. Federal government agencies operating more like commercial businesses when applicable.
MMS	Continued involvement in Indian affairs. Indian affairs activities remain a small part of operations.
BLM	Continued involvement in Indian affairs. Indian affairs remain a small portion of operations. Forecasted increase in survey and mineral appraisal workload.
OST	Increased reliance on advanced IT systems in management of accounting functions, customer relations, and operations. Increased focus on improving beneficiary services and satisfaction. Federal government trend toward privatization to take advantage of commercial-sector expertise in specified areas (such as trust management). Federal government agencies operating more like commercial businesses when applicable. Transition toward beneficiary-focused and business-oriented operations. Increased oversight capabilities and trust operations.
OHA	Increased probate workload. Uneven workload.
OSM	Continued involvement in regulating coal mining and reclamation operations on Indian lands under the Indian Land Program Regulations.
State Counties Cities Taxpayers	Continued review and comment on trust land acquisition.
Individual and tribal Indian associations and interest groups	Increased publicity by interest groups on their views of Indian trust management activities. Increased public relations efforts by DOI with associations, interest groups, and lobbyists to foster improved communication among DOI, the beneficiaries, and other interested parties.

Appendix C
Requirements

Appendix C categorizes the examples of statutory and regulatory requirements of Table 3-2 in Chapter 3. These requirements, that may contain provisions affecting trust management, are categorized according to the business line and function within that business line they may impact. Some requirements apply to more than one business line or function and thus may be listed multiple times.

BUSINESS LINE 1: BENEFICIARY TRUST REPRESENTATION

Statements of Trust Accounts

- ◆ Federal Oil and Gas Royalty Management Act of 1982

- ◆ BIA/OST interagency handbook

- ◆ American Indian Trust Fund Management Reform Act of 1994.

BUSINESS LINE 2: TRUST FINANCIAL MANAGEMENT

Accounting

- ◆ The Chief Financial Officers Act of 1990, Public Law 101-576, 31 U.S.C. 901, et. seq., as amended

  - ➤ Statement of Federal Financial Accounting Standards Number 7—Accounting for Revenue and Other Financing Sources

    - ■ Interpretation of Federal Financial Accounting Standards, Interpretation 1—Reporting on Indian Trust Funds

- ◆ Sections applicable to Indian Trust of the Uniform Principal and Income Act (for example, treatment of capital gains)

- ◆ Federal Oil and Gas Royalty Management Act of 1982

- ◆ Generally accepted accounting principles applicable to Indian Trust (FASB, AICPA, GASB, etc.)

- ◆ BIA/OST Interagency Handbook.

AUDITING

- ◆ Generally accepted government auditing standards (GAS/GAGAS)—"Yellow Book"

- ◆ The Federal Managers' Financial Integrity Act of 1982, P.L. 97-255, 31 U.S.C. 1352

- ◆ The Federal Financial Management Improvement Act of 1996

- ◆ Office of Management and Budget Circulars: A-50, "Audit Follow-up IG/GAS".

- ◆ DOI Departmental Manual 303—Principles for Managing Indian Trust Assets.

INVESTMENTS

- ◆ OST investment policy

- ◆ Prudent man rule subject to limitations under 25 U.S.C. 162 (a).

RECORDS

- ◆ Federal Records Act of 1950

- ◆ Departmental Manuals

  - ➤ Chapter 1, Part 380, DM 1—Records Management Program and Responsibilities

  - ➤ Chapter 1, Part 384, DM 1—Records Disposition

  - ➤ Chapter 6, Part 380, DM 4—Vital Records

  - ➤ 486—Vital Records

- ◆ National Archives and Records Administration (NARA) in 36 C.F.R. and 44 U.S.C.

Business Line 3: Stewardship of Land and Natural Resources

APPRAISALS

- ◆ Universal Standards of Professional Appraisal Practices

- ◆ Appraisal Handbook

SURVEYS, LEASES, PRESERVATIONS, OWNERSHIP, AND AUDIT

- Title 25 of the United States Code and applicable regulations for land use and leasing

- Federal Oil and Gas Royalty Management Act of 1982.

- DOI Departmental Manual 303—Principles for Managing Indian Trust Assets.

All Business Lines

AUTOMATED SYSTEMS

- Statement of Auditing Standards 70 review related to trust fund accounting system

- Office of Management and Budget Circular: A-127, "Financial Management Systems," July23, 1993

- Computer Fraud and Abuse Act of 1986, Public Law 99-474, 18 U.S.C. 1030

- Computer Security Act of 1987, Public Law 100-235, 40 U.S.C. 759

- National Institute of Standards and Technology (NIST) Special Publications

  - SPEC PUB 800-12—Introduction to Computer Security: The NIST Handbook, October 1995

  - SPEC PUB 800-14—Generally Accepted Principles and Practices for Securing Information Technology Systems, June 1996

  - SPEC PUB 800-18—Guide for Developing Security Plans for Information Technology Systems, December 1998

  - SPEC PUB 800-26, Security Self-Assessment Guide for Information Technology Systems, November 2001

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INTERNAL CONTROLS/FIDUCIARY SECURITY

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➤ A-123, "Management, Accountability and Control"

➤ A-130, "Management of Federal Information Resources", February 8, 1996

◆ Computer Security Act of 1987, Public Law 100-235, 40 U.S.C. 759

◆ Government Information Security Reform Act (GISRA), Title X, P.L. 106-398

◆ National Institute of Standards and Technology (NIST) Special Publications

➤ SPEC PUB 800-12—Introduction to Computer Security: The NIST Handbook, October 1995

➤ SPEC PUB 800-14—Generally Accepted Principles and Practices for Securing Information Technology Systems, June 1996

➤ SPEC PUB 800-18—Guide for Developing Security Plans for Information Technology Systems, December 1998

◆ Departmental Manuals

➤ 375, DM 19, Part 19—Information Technology Security Program

➤ 441—Personnel Suitability and Security Requirements, Chapter 1-6

➤ 444—Physical Security and Building Security, Chapter 1

◆ DOI System Security Plan (GSS) Guide and Template, May 31, 2002

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◆ Freedom of Information Act, 5 U.S.C. 552

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◆ National Security Act, as amended, P.L. 102-485

RISK ASSESSMENT

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➤ SPEC PUB 800-12—An Introduction to Computer Security: The NIST Handbook, October 1995

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➤ 444—Physical Security and Building Security, Chapter 1

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◆ Office of Management and Budget Circulars A-11, "Preparing, Submitting, and Executing the Budget," June 22, 2002.

PERFORMANCE

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Appendix D
Trust Management Roles and Responsibilities

Table D-1. Roles and Responsibilities—Office of the Special Trustee for American Indians

Office/individual	Role	Key roles	Responsibility
Special Trustee	Executes trust management role and focuses outside OST organization that includes the Secretary of the Interior, BIA directors, tribal task forces, and other stakeholders; monitors and manages the Principal Deputy Special Trustee, oversees management of the Trust Review and Audit, Trust External Affairs, Director, Budget, Finance and Administration, and Chief Information Officer of OST	◆ Monitor the external environment for perceived or real discontent with the trust operations ◆ Communicate with all DOI offices on issues and status of CTM functions ◆ Maintain close relationship with Assistant Secretary - Indian Affairs	◆ Inform the Secretary of the Interior of all developments, positive and negative, and how the function is operating ◆ Coordinate with BIA to provide or influence products and services on issues concerning the CTM function
Principal Deputy Special Trustee	Manages OST internal operation; represents Special Trustee when the special trustee is unavailable for important meetings and external activities	◆ Provide OST organization with day-to-day operational guidance ◆ Act as mediator and decision maker on trust asset issues ◆ Act in place of the Special Trustee when Special Trustee is unavailable	◆ Keep Special Trustee updated on all duties in OST ◆ Ensure accuracy and timeliness of all reports and information provided to parties external to OST ◆ Report to the Special Trustee on issues or problems that encumber the delivery of products and services to beneficiaries
Trust Review and Audit	Works directly with and reports to the Special Trustee; analyzes reports and production data for accuracy; manages contractors performing independent audits	◆ Coordinate with outside contractors to assess all CTM functions performed by DOI ◆ Review and report on all aspects of CTM activities ◆ Monitor and report on corrective actions ◆ Manage external audit	◆ Perform an annual fiscal year audit of all funds held in trust by the United States for the benefit of individual Indians (25 U.S.C. 4011(c)) ◆ Develop a performance ranking system based on a review process for all offices performing trust activities ◆ Evaluate tribally managed trust programs (compacted/contracted) ◆ Perform oversight of all groups involved in CTM ◆ Ensure CTM policies, regulations, and procedures are followed by all groups in CTM
Chief Information Officer	Provides the information technology infrastructure, maintenance, help desk activities, software, and hardware for OST trust activities; establishes, updates, and maintains beneficiary records on trust funds	◆ Provide OST trust management systems support ◆ Coordinate with BIA and other agencies on selection of all software applications for use in trust management ◆ Coordinate and integrate database information exchange with BIA and other DOI agencies collecting data and information for trust management ◆ Coordinate with Indian trust programs to determine adequate and proper documentation for trust entries ◆ Complete and implement record retention schedules for OST ◆ Provide overall indexing and location of records, including research for OST ◆ Determine records storage requirements ◆ Communicate trust-specific functions to DOI information technology personnel responsible for selecting/using software applications for trust management purposes ◆ Provide oversight and evaluation of DOI trust computer system architecture planning, development, implementation, and operations	◆ Supply and maintain hardware and software applications, taking advantage of information technology advances for OST ◆ Provide information technology support to the support and operations staff ◆ Develop life-cycle requirements for software and hardware ◆ Work with other agencies to establish information technology security measures ◆ Retrieve and retain all information that is necessary to render an accurate accounting of all money in the IIM trust (December 1999 order) ◆ Provide adequate controls over receipts and disbursements in OST (25 U.S.C. 162a(d)(2)) ◆ Coordinate Department agencies input to all beneficiary records concerning trust assets ◆ Work with other agencies to set policy for records management and storage of trust assets in DOI ◆ Monitor all information technology advancements in records management ◆ Work with other agencies to establish electronic record-keeping standards that comply with federal government standards

Table D-1. Roles and Responsibilities—Office of the Special Trustee for American Indians (Continued)

Office/individual	Role	Key roles	Responsibility
Deputy Special Trustee for Field Operations	Manages interfaces with beneficiaries; stays on the leading edge of the OST organization	◆ Manage all field staff ◆ Manage centralized trust beneficiary call center	◆ Manage and direct all trust administrators and trust officers ◆ Ensure trust officers are trained and possess the skills required to provide dedicated CTM service to beneficiaries ◆ Set up and manage beneficiary call center, establish and enforce performance measures, and train call takers as first-line customer contacts
Regional Trust Administrators	Provides first-line supervision of trust officers; provides technical CTM assistance with the BIA regional directors as needed	◆ Act as first-line supervisors of trust officers ◆ Provide technical assistance on trust matters to OST/tribes ◆ Coordinate with Office of Regional Director for Trust Services	◆ Provide adequate staffing and supervision for trust fund management and accounting (25 U.S.C. 162a(d)(7)) ◆ Ensure trust officers are trained and competent to deliver first-rate service to trust beneficiaries ◆ Provide technical and functional assistance to trust officers as needed ◆ Ensure trust officers have the tools and means to provide effective delivery of products and services to beneficiaries
Trust Officers	Provides interaction with the trust beneficiaries	◆ Act as primary contact to and for trust beneficiaries regarding their trust assets ◆ Work cooperatively with DOI staff and beneficiaries on fiduciary trust matters ◆ Review and approve fiduciary trust asset management decisions and transactions that meet high-risk criteria ◆ Serve as local collections office for all trust funds, encoding transactions, monitoring accounts receivables, and providing technical assistance on trust matters ◆ Act as primary contact for the appropriate creation, storage, and disposition of trust records	◆ Provide service and loyalty to trust accounts within responsibility ◆ Establish, implement and maintain controls over trust cash assets ◆ Provide constant coordination with agency superintendents on CTM issues ◆ Work with DOI staff to improve business operations ◆ Ensure proper documentation for trust transactions ◆ Cosign actions of the superintendent above a determined threshold of land and natural resource management ◆ Coordinate and secure local collections ◆ Work with DOI to ensure that fiduciary trust policies, procedures, and training are followed and made available to agency staff as necessary ◆ Ensure that appropriate documentation of all fiduciary trust transactions and internal controls are in place and followed ◆ Record updated and accurate management files for tracking and reporting on beneficiary accounts

Table D-1. Roles and Responsibilities—Office of the Special Trustee for American Indians (Continued)

Office/individual	Role	Key roles	Responsibility
Deputy Special Trustee for Trust Accountability	Sets policy, regulations, and procedures for a first-class CTM program	◆ Manage Trust Program Management Center ◆ Manage trust regulatory, policy, and procedures ◆ Manage trust training	◆ Ensure trust regulations, policies, and procedures are within scope of acceptable CTM practices ◆ Ensure all written policies meet DOI and federal government standards ◆ Ensure training of trust officers is comprehensive, structured, and exceeds education requirements set for accreditation of trust officials

Trust Program Management Center	Manages and oversees CTM business processes	◆ Manage trust reform projects
		◆ Manage business process modeling
		  · Improve trust performance
		  · Reengineer processes
		  · Design and implement process design
		  · Align technology and data
		◆ Coordinate universal support functions for trust processes
		◆ Develop CTM business strategy
		◆ Guide risk management
		  · Train and monitor for internal risk management
		  · Prepare and follow up on reports and findings
			◆ Provide adequate systems for accounting for and reporting of trust fund balances (25 U.S.C. 162a(d)(1))
			◆ Provide business processes for OST and agencies without set processes for the CTM function
			◆ Monitor business processes to identify areas for reengineering to improve service delivery
			◆ Review and monitor software applications for CTM for inclusion in delivery of products and services to beneficiaries

Trust Regulatory, Policy, and Procedures	Develops all written correspondence on CTM	◆ Develop and coordinate regulations
		◆ Promulgate and integrate trust policy
		◆ Coordinate trust procedures
			◆ Establish consistent, written policies and procedures for trust fund management and accounting (25 U.S.C. 162a(d)(6))
			  · Establish written policies and procedures for collecting from outside sources missing information necessary to render an accurate accounting of the IIM trust (December 1999 order)
			  · Establish written policies and procedures for retention of IIM-related trust documents necessary to render accurate accounting of the IIM trust (December 1999 order)
			  · Establish written policies and procedures for computer and business systems architecture necessary to render an accurate accounting of the IIM trust (December 1999 order)
			  · Establish written policies and procedures for staffing of trust management functions necessary to render an accurate accounting of the IIM trust (December 1999 order)
			◆ Oversee all written Department regulations, policies, and procedures concerning the function of CTM
			◆ Ensure that all Department groups involved in CTM receive training on regulations, policies, and procedures and thoroughly understand the intent and purpose of the written documents
			◆ Provide all Department groups with assistance interpreting documentation concerning CTM

Trust Training	Trains all individuals in CTM duties	◆ Develop and coordinate trust training ◆ Manage trust staff accreditation	◆ Provide training for trust fund management and accounting (25 U.S.C. 162a(d)(7)) ◆ Research and develop tailored training programs for management of trust assets ◆ Maintain training records for all individuals who require accreditation ◆ Provide regularly scheduled refresher/professional development training

Table D-1. Roles and Responsibilities—Office of the Special Trustee for American Indians (Continued)

Office/individual	Role	Key roles	Responsibility
Deputy Special Trustee for Trust Services	Provides beneficiary trust records and trust fund management, investment services	◆ Manage Office of Trust Funds Management ◆ Manage investment services ◆ Reconcile and report on trust fund actions	◆ Ensure accounting function for CTM is accurate, current, and includes a complete record of beneficiary trust activities ◆ Maintain active management of all investment actions within the Department for beneficiaries ◆ Reconcile and report on trust fund actions

Office of Trust Funds Management	Collects, records, and disburses beneficiary trust assets	◆ Provide centralized accounting services
		◆ Make collections
		  · Accounts receivable
		  · Lock box
		◆ Provide accounting data-entry quality assurance
		◆ Make fund disbursements
			◆ Provide plaintiffs an accurate accounting of all money in the IIM trust held for the benefit of plaintiffs, without regard to when the funds were deposited (December 1999 order; 25. U.S.C. 4011(a))
			◆ Account for daily and annual balance of all funds held in trust by the United States for the benefit of individual Indians (25 U.S.C. 4011(a))
			◆ Determine accurate cash balances (25 U.S.C. 162a(d)(4))
			◆ Provide and maintain all accounting service for beneficiaries
			◆ Provide direct coordination and interface with the custodian for investment of trust assets

Office of Reporting and Reconciliation	Provides internal and external reporting and reconciliation of assets and funds	◆ Provide reconciliation of beneficiary accounts for trust asset management accuracy
		◆ Provide reports to DOI, trust administrators, trust officers, beneficiaries, and federal offices on individual and tribal trust accounts
			◆ Provide periodic statement of performance at the end of every calendar quarter to each IIM account holder that identifies
			  · source, type, and status of funds
			  · beginning balance
			  · gains and losses
			  · receipts and disbursements
			  · ending balance (25 U.S.C. 4011(b))
			◆ Provide periodic, timely reconciliation to ensure accuracy of accounts (25 U.S.C. 162a(d)(3))
			◆ Prepare and supply account holders with periodic statements of their account performance and balances (25 U.S.C. 162a(d)(5))
			◆ Provide up-to-date financial reports to beneficiaries and federal offices

Table D-2. Roles and Responsibilities—Bureau of Indian Affairs

Office/individual	Role	Key role	Responsibility
Assistant Secretary – Indian Affairs	Primary Official charged with the responsibility to administer federal Indian policy and to fulfill the federal trust responsibility for American Indian tribes, Alaska natives, and tribal organizations	◆ Provide policy guidance for BIA's management and protection of trust resources ◆ Strengthens the government-to-government relationship with Indian tribes ◆ Advocates policies that support Indian Self-Determination ◆ Maintains relationship with Special Trustee for American Indians	◆ Ensure management and protection of trust resources is within scope of acceptable comprehensive trust management practices ◆ Maximizes the effectiveness of program operations of the Bureau of Indian Affairs and Office of Indian Education Programs ◆ Primary departmental contact for the development and review of policy proposals and for interpreting established policies related to trust issues ◆ Conducts appropriate consultation with Indian tribes, other bureaus, the Office of the Secretary, the Solicitor, the Office of Management and Budget, other governmental agencies, Congress, and the public
Deputy Assistant Secretary for Information Resource Management/Chief Information Officer	Manages trust information resources and information technology	◆ Establish, develop, operate, and maintain information resource management and information technology (IT) policy, planning, architecture, configuration management, engineering, security, privacy, project management, development, and operations of trust systems ◆ Integrate the trust IT architecture with the DOI and federal architecture	◆ Supply, maintain, review, and monitor information technology for IIM, taking advantage of IT advances ◆ Establish written policies and procedures for IT architecture necessary to render an accurate accounting of the IIM trust ◆ Supply and maintain hardware and software applications, taking advantage of IT advances ◆ Provide IT support to the support and operations staff ◆ Work with other agencies to establish IT security measures ◆ Retrieve and retain all information that is necessary to render an accurate accounting of all money in the IIM trust
Director, Bureau of Indian Affairs	Administers all laws governing trust management functions and provides leadership and direction for the BIA	◆ Provides national technical oversight and monitoring of the management and protection of BIA trust resources programs ◆ Shares responsibility for the management of tribal and individual Indian trust funds with the Special Trustee for American Indians	◆ Ensure trust management is within scope of acceptable comprehensive trust management practices
Director, Indian Land Consolidation Center	Manage Indian Land Consolidation Project	◆ Establish land consolidation policies ◆ Develops tribal and implements cooperative agreements for land consolidation ◆ Conduct evaluations of land consolidation project contractors and BIA project staff	◆ Provides national oversight, direction, monitoring and program evaluation of the Indian land consolidation project
Deputy Director – Field Operations	Provides direction to regional offices, agencies, and field offices	◆ Monitor and evaluate the performance of the regional and field offices ◆ Provide specialized and programmatic technical assistance to field offices and tribes	◆ Provides national direction for the daily operations of the regional, agency, and field offices
Deputy Director – Trust Services	Manages headquarters activities associated with the management and protection of trust and restricted lands, and natural resources	◆ Oversight for Attorney Decision Makers, for the adjudication of probates of Indian trust estates	◆ National primary technical, management, and monitoring expertise for Indian trust natural resources programs
Division of Natural Resources	Provides central office management for development and protection of trust natural resources	◆ Development and protection of trust natural resources	◆ Technical and policy advice for activities related to soil, water, rangeland, fish, and wildlife programs
Division of Real Estate	Provides central office management for the protection, management, utilization and probate of trust and restricted federal Indian-owned lands	◆ Provides national oversight and direction for the administration and maintenance of title documentation for trust and restricted federal Indian-owned lands	◆ Provides assistance, advice, policy, oversight, monitoring and coordination for the protection, management, conservation, development of trust and restricted federal Indian-owned lands, which includes acquisition, disposal, tenure, right-of-way, permits, leasing and sales

Table D-2. Roles and Responsibilities— Bureau of Indian Affairs (Continued)

Office/individual	Role	Key role	Responsibility
Division of Forestry	Provides management related to development and protection of trust forest resources	◆ Exercises program oversight of national forestry activities to ensure that regulatory and policy requirements are followed and that sound forest management is upheld	◆ Coordinates the planning, management and protection of trust forest resources, including the national wildland fire program
Social Worker	Determines whether an individual account should be placed in restricted/supervisory status	◆ Meets with beneficiary to determine ability to manage funds	◆ Makes determination to place an account in restricted/supervisory status and approve spending plans for restrictive accounts
Division of Energy and Minerals Resources	Provides management and technical support to tribes in the development of their energy and mineral resources on trust lands	◆ Coordinates Bureau energy and mineral resources activities with other governmental agencies private and tribal groups	◆ Ensures energy and mineral resources are managed within scope of acceptable comprehensive trust management practices
Regional Director/Deputy Regional Director – Trust Services	Manages day-to-day operations of BIA land and natural resources programs and Indian services programs	◆ Maintain government-to-government relationship with Tribes in their regions, serves as primary point of contact for tribes ◆ Provides oversight and guidance to the agency/field office level for management and protection of the land and natural resources programs ◆ Regional point of contact with OST	◆ Ensure land and natural resources are managed within scope of acceptable comprehensive trust management practices
Regional Division of Natural Resources	Provides regional management for development and protection of trust natural resources, forestry and energy and mineral resources	◆ Provides technical oversight and assistance to Agency and field office level planning, coordination, guidance and assistance for sound trust natural resource management and protection	◆ Ensure land and natural resources are managed within scope of acceptable comprehensive trust management practices
Regional Division of Real Estate	Provides regional management for the protection, management, utilization and probate of trust and restricted federal Indian-owned lands	◆ Provides regional oversight and direction for the administration and maintenance of title documentation for protection and utilization of trust and restricted federal Indian-owned lands	◆ Ensure the administration and maintenance of trust and restricted federal Indian-owned lands within the region are following regulation and policy requirements
Agency Superintendent/ Deputy Agency Superintendent – Trust Services	Manage day-to-day operations of land and natural resources programs	◆ Provides primary oversight for the administration and maintenance agency/field office trust programs ◆ Agency point of contact with OST Trust officers	◆ Ensure land and natural resources are managed within scope of acceptable comprehensive trust management practices
Agency Division of Natural Resources	Manage day-to-day operations of land and natural resources programs	◆ Provides for the coordination, planning, management and protection of trust natural resources at the agency/field office level	◆ Ensure land and natural resources are managed within scope of acceptable comprehensive trust management practices
Agency Division of Real Estate	Ensures the trust and restricted federal-owned lands are administered and maintained in accordance with regulations and policies	◆ Provides central office management for the protection, management, utilization and probate of trust and restricted federal Indian-owned lands	◆ Provides for the administration of the activities for the protection, management, conservation, and development of trust and restricted federal-owned land, including acquisition, disposal, tenure, right of way, permits, leasing, and sales

Appendix E
Abbreviations

AICPA	American Institute of Certified Public Accountants
BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
BRM	beneficiary relationship management
C.F.R.	Code of Federal Regulations
CONOPS	concept of operations
CTM	Comprehensive Trust Management
DAST	Deputy Agency Superintendent for Trust
DOI	Department of the Interior
EDS	Electronic Data Systems
FASB	Federal Accounting Standard Board
FIPS	Federal Information Processing Standard
GAO	Government Accounting Office
GAS/GAGAS	generally accepted government auditing standards
GASB	Governmental Accounting Standard Board
GISRA	Government Information Security Reform Act
GPRA	Government Performance and Results Act
GSS	General Support System
HLIP	*High Level Implementation Plan*
IG	Inspector General
IIM	Individual Indian Monies
IT	information technology
ITSP	Information Technology Security Plan
MA	major application
MMS	Minerals Management Service
NARA	National Archives and Records Administration
NIST	National Institute of Standards and Technology
OHA	Office of Hearings and Appeals

OHTA	Office of Historical Trust Accounting
OITT	Office of Indian Trust Transition
OMB	Office of Management and Budget
OSM	Office of Surface Mining
OST	Office of the Special Trustee for American Indians
OTFM	Office of Trust Fund Management
SPEC PUB	special publications
TPMC	Trust Program Management Center
U.S.C.	United States Code